

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

LEGISLATIVE HISTORY

Public Law 200--77th Congress

Chapter 346--1st Session

H. R. 1073

TABLE OF CONTENTS

Sigest of Public Law 200	1
Index and Summary of History on H. R. 1073	2

DIGEST OF PUBLIC LAW 200

UNIFORM, AUTOMATIC, ADMINISTRATIVE PROMOTIONS.

Amends the Classification Act of 1923 so as to direct one-step administrative, within-grade promotions every 18 months for satisfactory permanent, permanent employees under the Classification Act at grades for which the minimum salary is less than \$3,800 and every 30 months for those at grades beginning at \$3,800 or more. Prohibits such promotions for any person whose compensation is below the middle of the grade unless his efficiency rating is "good" or better, and for any person at or above the middle of the grade unless his efficiency rating is better than "good". Authorizes promotions of one additional step during each period in exceptional cases, such increases to be reported through the Civil Service Commission to Congress.

Index and Summary of History on H. R. 1073

(Page numbers refer to debate in bound volumes of Congressional Record. Vol. 87, Parts 5, 4, and 6.)

January 3, 1941	Introduced by Mr. Janspeck and referred to the Committee on Civil Service.
March 11, 1941	Hearings, House, H. R. 1073.
May 13, 1941	House Committee on Civil Service reported with amendments. House Report 533. Print of bill as reported. (p. 4016)
June 2, 1941	Debated in House. Sent to Rules Committee.
June 13, 1941	Committee on Rules submitted House Report 772. House Resolution 236.
June 16, 1941	S. 1634 introduced by Mr. Head and referred to Senate Committee on Civil Service. (Similar bill)
June 17, 1941	House debated H. R. 1073 and passed with amendments. (pp. 5261-5277).
June 19, 1941	H. R. 1073 referred to Senate Committee on Civil Service. Print of bill as referred to Committee.
June 27, 1941	Hearings: Senate, S. 1634 and H. R. 1073.
July 3, 1941	Senate Committee on Civil Service reported with amendments. Senate Report 503. Print of bill as reported.
July 14, 1941	Debated and passed Senate with amendments. Senate asks for conference and appointed Conferees. (pp. 5095-98) Print of the bill with amendments of the Senate numbered.
July 21, 1941	House concurred in Senate amendments and submitted House Conf. Res. 47. (p. 6189).
August 1, 1941	Approved. Public Law 200.

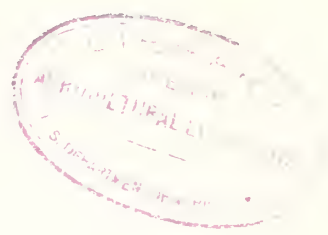
Amendments:

67th Congress.	Public Law, 516, March 4, 1923.
70th Congress.	Public Law 575, May 20, 1928.
71st Congress.	Public Law 523, July 2, 1929.
74th Congress.	Public Law 308, August, 1935.



77TH CONGRESS
1ST SESSION

H. R. 1073



IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1941

Mr. RAMSPECK (by request) introduced the following bill; which was referred to the Committee on the Civil Service

A BILL

To amend the Classification Act of 1923, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Classification Act of 1923, as amended, is hereby
4 further amended as follows:

5 SEC. 2. Section 7 of the said Act is hereby amended by
6 inserting the letter “(a)” after the figure “7” at the begin-
7 ning of said section, and by adding the following paragraphs
8 as subsections thereof:

9 “(b) All employees compensated on a per annum basis,
10 and occupying permanent positions within the scope of the
11 compensation schedules fixed by this Act, who have not

1 attained the maximum rate of compensation for the grade in
2 which their positions are respectively allocated, shall be
3 advanced in compensation successively to the next higher
4 rate within the grade at the beginning of the next quarter
5 following the completion of: (1) Each eighteen months of
6 service if such employees are in grades in which the com-
7 pensation increments are \$60 or \$100, or (2) each thirty
8 months of service if such employees are in grades in which
9 the compensation increments are \$200 or \$250, subject to
10 the following conditions:

11 “(1) That no equivalent increase in compensation from
12 any cause was received during such period, except increase
13 made pursuant to subsection (f) of this section;

14 “(2) That an employee whose rate of compensation is
15 below the middle rate of the grade shall not be advanced
16 unless his current efficiency is good or better than good;

17 “(3) That an employee whose rate of compensation is
18 at or above the middle rate of the grade shall not be advanced
19 unless his current efficiency is better than good;

20 “(4) That the service and conduct of such employee
21 are certified by the head of the department or agency or such
22 official as he may designate as being otherwise satisfactory.

23 “(c) The term ‘good’ as used herein shall be defined in
24 accordance with the systems of efficiency rating established
25 pursuant to section 9 of this Act.

1 “(d) For the purposes of this section, the fourth salary
2 rate in grades 2 and 3 of the custodial service shall be
3 considered the middle rate.

4 “(e) Employees eligible under subsection (b) for com-
5 pensation advancement by reason of service immediately pre-
6 ceding the effective date of this amendment shall be advanced
7 to the next higher rate of compensation within the grade to
8 which their positions are respectively allocated at the begin-
9 ning of the next quarter immediately following the effective
10 date of this amendment.

11 “(f) Within the limits of available appropriations and
12 in recognition of especially meritorious services, the heads of
13 departments are authorized to make additional within-grade
14 compensation advancements of not to exceed one step within
15 the grade in any one case and within each of the time periods
16 specified in subsection (b). All actions under this subsection
17 and the reasons therefor shall be reported to the Civil Service
18 Commission. The Commission shall present an annual con-
19 solidated report to the Congress covering the numbers and
20 types of actions taken under this subsection.

21 “(g) The President is hereby authorized to issue such
22 regulations as may be necessary for the administration of
23 this section.”

24 SEC. 3. Section 9 of the said Act is hereby amended by
25 adding thereto the following paragraph:

1 “The Civil Service Commission and heads of depart-
 2 ments are authorized and directed to take such action as
 3 will apply the provisions of this section uniformly to all em-
 4 ployees occupying positions within the compensation sched-
 5 ules fixed by this Act as nearly as is practicable.”

6 SEC. 4. Section 13 of the said Act is hereby further
 7 amended so as to provide the following annual rates of
 8 compensation and salary steps within grades 14 and 15 of
 9 the clerical, administrative, and fiscal service and grades 7
 10 and 8 of the professional and scientific service:

11 “Clerical, administrative, and fiscal service:

12 “Grade 14: \$6,500, \$6,750, \$7,000, \$7,250,
 13 \$7,500.

14 “Grade 15: \$8,000, \$8,250, \$8,500, \$8,750,
 15 \$9,000.

16 “Professional and scientific service:

17 “Grade 7: \$6,500, \$6,750, \$7,000, \$7,250, \$7,500.

18 “Grade 8: \$8,000, \$8,250, \$8,500, \$8,750,
 19 \$9,000.”

20 SEC. 5. There are hereby authorized to be appropriated
 21 such sums as may be necessary to carry the provisions of
 22 this Act into effect.

23 SEC. 6. Insofar as they are inconsistent or in conflict
 24 with prior laws, the provisions of this Act shall control.

25 SEC. 7. This Act shall take effect on .

77TH CONGRESS
1ST SESSION

H. R. 1073

A BILL

To amend the Classification Act of 1923, as amended.

By Mr. RAMSPECK

JANUARY 3, 1941

Referred to the Committee on the Civil Service



148.9

Gi77S

UNIFORM SALARY INCREASES

Please return to

LEGISLATIVE REPORTS AND SERVICE SECTION

Office of Budget and Finance

FILE COPY

HEARINGS

BEFORE THE

COMMITTEE ON THE CIVIL SERVICE

HOUSE OF REPRESENTATIVES

SEVENTY-SEVENTH CONGRESS

FIRST SESSION

ON

H. R. 625

H. R. 626

H. R. 1073

H. R. 3306

BILLS PROPOSING A SALARY ADVANCEMENT PLAN
FOR FEDERAL EMPLOYEES

MARCH 11, 12, 13, 14, 1941

Printed for the use of the Committee on the Civil Service



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1941

30,000

MAR 31 1941

COMMITTEE ON THE CIVIL SERVICE

ROBERT RAMSPECK, Georgia, *Chairman*

JENNINGS RANDOLPH, West Virginia

GUY L. MOSER, Pennsylvania

NEWT V. MILLS, Louisiana

LINDLEY BECKWORTH, Texas

JOHN L. McMILLAN, South Carolina

JOHN M. COFFEE, Washington

JOHN EDWARD SHERIDAN, Pennsylvania

M. MICHAEL EDELSTEIN, New York

HENRY M. JACKSON, Washington

OREN HARRIS, Arkansas

JOHN B. SULLIVAN, Missouri

LE ROY D. DOWNS, Connecticut

BERNARD J. GEHRMANN, Wisconsin

EDITH NOURSE ROGERS, Massachusetts

EDWARD H. REES, Kansas

CLARENCE E. KILBURN, New York

FRANK FELLOWS, Maine

A. D. BAUMHART, Jr., Ohio

RICHARD P. GALE, Minnesota

WILLIAM G. STRATTON, Illinois

THOMAS L. CAMP, *Clerk*

MRS. WILLIE S. WINTER, *Assistant*

UNIFORM SALARY INCREASES

TUESDAY, MARCH 11, 1941

COMMITTEE ON THE CIVIL SERVICE,
HOUSE OF REPRESENTATIVES,
Washington, D. C.

The committee this day met at 10:10 a. m., Hon. Robert Ramspeck (chairman) presiding, for consideration of the following bills:

[H. R. 625, 77th Congress, 1st Sess.]

A BILL To establish a system of automatic salary increases within the Federal service

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Classification Act of 1923, as amended, is amended to read as follows:

"Every employee shall automatically receive an increase in salary at the beginning of the quarter following each year's service, to the next higher salary rate within the grade in which his position is allocated, until he shall have attained the highest rate prescribed for such grade: *Provided, however*, That such increases may be withheld from not more than 10 per centum of the employees of a department on the ground that their efficiency during such a year fell below the standard necessary for the most effective administration of such department.

"Every employee who shall have completed five years of service at the highest rate of pay prescribed for the grade in which his position is allocated shall automatically be entitled to and shall receive an increment of \$120 per annum in addition to such rate, and shall be entitled to and shall receive an additional increment of \$120 per annum upon the completion of each successive five years of service thereafter.

"The compensation of an employee shall in no way be affected by the average of the compensation paid to other employees in his grade or class.

"Nothing herein contained shall be construed to prevent an increase in salary greater than the minimum provided for herein or for promotion of any employee from a position in one class to a vacant position in a higher class at any time in accordance with civil-service laws, and when so promoted such employee shall receive compensation according to the schedule established for the class to which he is promoted."

SEC. 2. Section 9 of the Classification Act of 1923, as amended, is amended to read as follows:

"The Board for each department shall review and may revise uniform systems of efficiency rating established or to be established for the various grades or classes thereof, with the approval of the Civil Service Commission.

"The head of each department shall rate in accordance with such systems the efficiency of each employee under his control or direction. The current ratings and the written report upon which such ratings are based for each grade or class thereof shall be open to inspection by the representatives of the Board and by the employees of the department and the duly constituted representatives of any such employee under conditions to be determined by the Board after consultation with the department heads.

"Reductions in compensation and dismissals for inefficiency may be made by heads of departments in all cases whenever the efficiency ratings warrant, subject to the approval of the departmental board of review."

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry the provisions of this Act into effect.

SEC. 4. This Act shall take effect July 1, 1941, and may be cited as the "Federal Workers Automatic Salary Increase Act".

APR 2 1941

[H. R. 626, 77th Cong., 1st Sess.]

A BILL To increase the compensation of employees in the Federal service, and to establish a minimum annual rate of pay of \$1,200

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 13 of the Classification Act of 1923, as amended, is hereby amended to change the salary rates under certain grades therein to read as follows:

"SUBPROFESSIONAL SERVICE

"Grade 1: The annual rates of compensation for positions in this grade shall be \$1,260, \$1,320, \$1,380, \$1,440, \$1,500, and \$1,560.

"Grade 2: The annual rates of compensation for positions in this grade shall be \$1,440, \$1,500, \$1,560, \$1,620, \$1,680, \$1,740, and \$1,800.

"Grade 3: The annual rates of compensation for positions in this grade shall be \$1,560, \$1,620, \$1,680, \$1,740, \$1,800, \$1,860, and \$1,920.

"Grade 4: The annual rates of compensation for positions in this grade shall be \$1,680, \$1,740, \$1,800, \$1,860, \$1,920, \$1,980, and \$2,040.

"CLERICAL, ADMINISTRATIVE, AND FISCAL SERVICE

"Grade 1: The annual rates of compensation for positions in this grade shall be \$1,440, \$1,500, \$1,560, \$1,620, \$1,680, \$1,740, and \$1,800.

"Grade 2: The annual rates of compensation for positions in this grade shall be \$1,560, \$1,620, \$1,680, \$1,740, \$1,800, \$1,860, and \$1,920.

"Grade 3: The annual rates of compensation for positions in this grade shall be \$1,680, \$1,740, \$1,800, \$1,860, \$1,920, \$1,980, and \$2,040.

"CUSTODIAL SERVICE

"Grade 1: The annual rates of compensation for positions in this grade shall be \$1,200, \$1,260, \$1,320, \$1,380, and \$1,440.

"Grade 2: The annual rates of compensation for positions in this grade shall be \$1,260, \$1,320, \$1,380, \$1,440, \$1,500, and \$1,560: *Provided*, That charwomen and charwomen working part time shall be paid at the rate of 55 cents per hour and head charwomen and head charwomen at the rate of 60 cents per hour.

"Grade 3: The annual rates of compensation for positions in this grade shall be \$1,380, \$1,440, \$1,500, \$1,560, \$1,620, and \$1,680.

"Grade 4: The annual rates of compensation for positions in this grade shall be \$1,500, \$1,560, \$1,620, \$1,680, \$1,740, \$1,800, and \$1,860.

"Grade 5: The annual rates of compensation for positions in this grade shall be \$1,620, \$1,680, \$1,740, \$1,800, \$1,860, \$1,920, and \$1,980.

"Grade 6: The annual rates of compensation for positions in this grade shall be \$1,740, \$1,800, \$1,860, \$1,920, \$1,980, \$2,040, and \$2,100."

Sec. 2. The compensation that may be fixed in accordance with the provisions of the Classification Act of 1923, as herein amended, for any office or position the duties of which are regularly required to be performed in whole or in part between the hours of 6 o'clock postmeridian and 6 o'clock antemeridian shall be increased by 15 per centum of the minimum rate of the grade to which such office or position is allocated.

Sec. 3. The President may, by Executive order, establish an appropriate differential in the rates of compensation prescribed by the Classification Act of 1923, as herein amended, for any office or position for which the Civil Service Commission finds and reports to the President that such rates are inadequate for the reason that such office or position (1) is located at a station that is isolated, remote, or inaccessible, or where the cost of living is excessive, when compared with stations at which offices or positions of the same character are usually located; or (2) involves physical hardships or hazards that are excessive when compared with those usually involved in offices or positions of the same character; or (3) is located outside the States of the United States and the District of Columbia: *Provided*, That such differential shall not exceed 25 per centum of the minimum rate of the grade to which such office or position is allocated.

Sec. 4. In adjusting initially the rates of compensation under this Act, employees affected thereby shall maintain the same relative standing within the compensation schedules for the grades in which their positions are respectively allocated as held by them immediately prior to the effective date of this Act: *Provided*, That where the number of rates in a given grade is changed by this Act from seven to six,

employees receiving the first, second, third, fourth, fifth, sixth, or seventh rate, respectively, of such grade shall receive, respectively, the first, second, third, fourth, fifth, and sixth rate of the grade as amended by this Act.

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry the provisions of this Act into effect.

SEC. 6. This Act shall take effect July 1, 1941, and may be cited as the "Federal Workers' Minimum Wage Act of 1941".

[H. R. 1073, 77th Cong., 1st sess.]

A BILL To amend the Classification Act of 1923, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Classification Act of 1923, as amended, is hereby further amended as follows:

SEC. 2. Section 7 of the said Act is hereby amended by inserting the letter "(a)" after the figure "7" at the beginning of said section, and by adding the following paragraphs as subsections thereof:

"(b) All employees compensated on a per annum basis, and occupying permanent positions within the scope of the compensation schedules fixed by this Act, who have not attained the maximum rate of compensation for the grade in which their positions are respectively allocated, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next quarter, following the completion of: (1) Each eighteen months of service if such employees are in grades in which the compensation increments are \$60 or \$100, or (2) each thirty months of service if such employees are in grades in which the compensation increments are \$200 or \$250, subject to the following conditions:

"(1) That no equivalent increase in compensation from any cause was received during such period, except increase made pursuant to subsection (1) of this section;

"(2) That an employee whose rate of compensation is below the middle rate of the grade shall not be advanced unless his current efficiency is good or better than good;

"(3) That an employee whose rate of compensation is at or above the middle rate of the grade shall not be advanced unless his current efficiency is better than good;

"(4) That the service and conduct of such employee are certified by the head of the department or agency or such official as he may designate as being otherwise satisfactory.

"(c) The term 'good' as used herein shall be defined in accordance with the systems of efficiency rating established pursuant to section 9 of this Act.

"(d) For the purposes of this section, the fourth salary rate in grades 2 and 3 of the custodial service shall be considered the middle rate.

"(e) Employees eligible under subsection (b) for compensation advancement by reason of service immediately preceding the effective date of this amendment shall be advanced to the next higher rate of compensation within the grade to which their positions are respectively allocated at the beginning of the next quarter immediately following the effective date of this amendment.

"(f) Within the limits of available appropriations and in recognition of especially meritorious services, the heads of departments are authorized to make additional within-grade compensation advancements of not to exceed one step within the grade in any one case and within each of the time periods specified in subsection (b). All actions under this subsection and the reasons therefor shall be reported to the Civil Service Commission. The Commission shall present an annual consolidated report to the Congress covering the numbers and types of actions taken under this subsection.

"(g) The President is hereby authorized to issue such regulations as may be necessary for the administration of this section."

SEC. 3. Section 9 of the said Act is hereby amended by adding thereto the following paragraph:

"The Civil Service Commission and heads of departments are authorized and directed to take such action as will apply the provisions of this section uniformly to all employees occupying positions within the compensation schedules fixed by this Act as nearly as is practicable."

SEC. 4. Section 13 of the said Act is hereby further amended so as to provide the following annual rates of compensation and salary steps within grades 14 and 15 of the clerical, administrative, and fiscal service and grades 7 and 8 of the professional and scientific service:

"Clerical, administrative, and fiscal service:

"Grade 14: \$6,500, \$6,750, \$7,000, \$7,250, \$7,500.

"Grade 15: \$8,000, \$8,250, \$8,500, \$8,750, \$9,000.

"Professional and scientific service:

"Grade 7: \$6,500, \$6,750, \$7,000, \$7,250, \$7,500.

"Grade 8: \$8,000, \$8,250, \$8,500, \$8,750, \$9,000."

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry the provisions of this Act into effect.

SEC. 6. Insofar as they are inconsistent or in conflict with prior laws, the provisions of this Act shall control.

SEC. 7. This Act shall take effect on _____.

[H. R. 3306, 77th Cong., 1st sess.]

A BILL To amend the Classification Act of March 4, 1923, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide for the classification of civilian positions within the District of Columbia and in the field services", approved March 4, 1923, as amended, be amended by striking out in section 5 thereof the following: "except such as are under the direction and control of the custodian of a public building or perform work which is subordinate, incidental, or preparatory to work of a professional, scientific, or technical character", and adding in lieu thereof the following: "Positions removed by this Act from the purview of the Classification Act of March 4, 1923, as amended, and positions in the field services within the continental limits of the United States, the duties of which are to perform or assist in apprentice, helper, or journeyman work in a recognized trade or craft, and skilled or semiskilled laborers, but for which the compensation is not fixed by existing wage boards, or by administrative authority based upon recommendations of existing wage boards, shall be paid in accordance with the prevailing rates in private industry for similar work in the community in which the work is performed: *Provided*, That the weekly compensation of employees removed from the purview of the Classification Act of March 4, 1923, as amended, by the provisions of this Act, and similar classes of employees in the field service, shall not be less than that received by employees of corresponding trades or occupations, under the current 'Schedule of Wages for Civil Employees under the Naval Establishment', in the navy yard nearest to the point at which such work is performed; and the regular hours of labor for such employees shall not be more than forty per week: *Provided further*, That in no instance shall such weekly rate of compensation be less than the current weekly rate of compensation of the employees at the Philadelphia Navy Yard, whose pay is established in the current 'Schedule of Wages for Civil Employees under the Naval Establishment': *And provided further*, That nothing in this Act shall operate to reduce the pay of any employee of the United States Government or of the government of the District of Columbia."

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., January 31, 1941.

HON. ROBERT RAMSPECK,
Chairman, Committee on the Civil Service,
House of Representatives.

MY DEAR MR. CHAIRMAN: In compliance with your request of January 13, 1941, receipt of which was acknowledged on January 16, 1941, we are submitting the following comments on H. R. 625, a bill "to establish a system of automatic salary increases within the Federal service."

The bill includes two major features. It proposes to establish an automatic salary advancement plan for employees who occupy positions, the salaries of which are fixed under the pay schedules of the Classification Act of 1923. It also provides for what might be called longevity pay increases.

The automatic salary advancement plan proposed depends primarily on length of service. Annual salary increases to the next higher rate within the grade to which the employee's position is allocated are made mandatory except that not more than 10 percent of the employees of a department may be excluded from receiving these salary increases if they do not meet an appropriate efficiency or performance standard. The Commission is not in favor of any salary advancement plan which lays too much emphasis on length of service alone. Any salary advancement plan should offer a positive incentive to the employee to increase

his usefulness to the service and the higher salary rates within each grade should be reserved for those who render very good or excellent service rather than normally satisfactory or good service. The procedure for determining an employee's eligibility for a salary increase should make his efficiency rating a positive rather than a negative factor.

With respect to longevity increases, the bill provides that employees who have served at the maximum rate of pay for their respective grades for 5 years shall be automatically entitled to an increment of \$120 a year in addition to the maximum rate, and that they shall also receive an additional increment of \$120 a year upon the completion of each successive 5 years of service thereafter. The Commission is unable to express its approval of this proposal.

We believe that the problem of the employee who has reached the maximum rate of his grade, assuming that his performance is sufficiently meritorious to deserve recognition, should be met by opening opportunities to him for promotion to positions in higher grades involving greater difficulties or responsibilities of work and consequently service of greater value to the Government. This bill should be considered in connection with H. R. 1073 which is based upon a report from the Director of the Budget entitled "A Salary Advancement Plan for the Federal Service," which has been transmitted through the chairman of the House Committee on Appropriations to the chairman of the House Committee on the Civil Service. The thorough and comprehensive discussion of the problems involved in developing a salary advancement plan which appears in this document makes it clear that the provisions of H. R. 625 are much less desirable or feasible than those contained in H. R. 1073.

We have been advised by the Bureau of the Budget that H. R. 625 is not in accord with the administrative and fiscal program of the President.

Sincerely yours,

HARRY B. MITCHELL, *President.*

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., February 5, 1941.

HON. ROBERT RAMSPECK,
*Chairman, Committee on the Civil Service,
House of Representatives.*

DEAR MR. CHAIRMAN: In compliance with your request of January 13, 1941, receipt of which was acknowledged on January 16, 1941, we are submitting the following comments with respect to H. R. 626, a bill "to increase the compensation of employees in the Federal service and to establish a minimum annual rate of pay of \$1,200."

Section 1 of the bill amends the salary rates of the Classification Act of 1923, as amended. Section 2 provides a pay differential for night work. Section 3 authorizes the President to establish a pay differential for (1) isolation, remoteness, inaccessibility, or excessive cost of living, (2) excessive physical hardships or hazards, and (3) location outside the States of the United States and the District of Columbia. Section 4 provides a method for adjusting existing salaries of employees to the new rates. Section 5 authorizes the appropriation of funds to carry the act into effect. Section 6 establishes an effective date of July 1, 1941, and provides that the bill may be cited as the "Federal Workers' Minimum Wage Act of 1941."

REVISION OF PAY SCALES

The following list shows the grades in which H. R. 626 proposes upward pay scale revisions:

Grade	Present pay scales	Pay scales proposed in H. R. 626	Grade	Present pay scales	Pay scales proposed in H. R. 626
SP-1.....	¹ \$1,020-\$1,380	² \$1,260-\$1,560	CU-1.....	³ \$600- \$840	³ \$1,200-\$1,440
SP-2.....	¹ 1,260- 1,620	¹ 1,440- 1,800	CU-2.....	² 1,080- 1,380	² 1,260- 1,560
SP-3.....	¹ 1,440- 1,800	¹ 1,560- 1,920	CU-3.....	² 1,200- 1,500	² 1,380- 1,680
SP-4.....	¹ 1,620- 1,980	¹ 1,680- 2,040	CU-4.....	¹ 1,320- 1,680	¹ 1,500- 1,860
CAF-1.....	¹ 1,260- 1,620	¹ 1,440- 1,800	CU-5.....	¹ 1,500- 1,860	¹ 1,620- 1,980
CAF-2.....	¹ 1,440- 1,800	¹ 1,560- 1,920	CU-6.....	¹ 1,620- 1,980	¹ 1,740- 2,100
CAF-3.....	¹ 1,620- 1,980	¹ 1,680- 2,040			

Special attention is invited to the proposal for increasing the pay scale of CU-1 from a range of \$600-\$840 to a range of \$1,200-\$1,440. This grade, so far as the departmental service is concerned, is one for the allocation of messenger-boy and messenger-girl positions and similar positions for which boys and girls are normally recruited. It is not used for positions for which adults are normally recruited. CU-2 and CU-3 are used as the minimum grades for adults. If this practice is not paralleled in allocations by the departments in the field service, as it should be, the remedy is to adjust these allocations rather than to double the pay scale for messenger boys and messenger girls.

The bill also provides that the rate of pay for part-time charwomen be raised from 50 cents an hour to 55 cents an hour and that for part-time head charwomen be raised from 55 cents an hour to 60 cents an hour. This proposal for a raise in the pay scale for char forces is in accordance with a suggestion made by the Commission in connection with H. R. 8064, Seventy-fifth Congress, as set forth in our report to you of January 31, 1938. On page 3 of that report will be found the justification for this step.

We do not have available current information from which we could accurately compute the cost involved in revising the pay scales of the Classification Act as proposed in H. R. 626. Attention, however, is invited to the fact that on the basis of data collected January 31, 1937, the cost of a similar set of pay scales in H. R. 3665, Seventy-sixth Congress, was computed and reported to your committee on March 30, 1939, in connection with this bill. That report showed that 130,518 employees would be affected and that the aggregate increase in pay for positions under the pay scales of the Classification Act, field and departmental, would be about \$17,600,000.

We have favored for some time an increase in the rates of pay for the lowest grades under the Classification Act in the subprofessional and custodial services, respectively, with the exception of CU-1 as indicated above. The question whether or not any upward revision should be approved at this time, and, if so, to what extent raises in pay scales should be made is one which concerns the fiscal policy of the President rather than any technical question of classification or the feasibility of operation. We would like to see a revision of the pay scales within the administrative and financial policy of the President that would permit the establishment at this time of a minimum rate of \$1,200 for positions in which adults are customarily employed. This will necessitate some revision in the pay scales next above the lowest ones in order to accomplish a smooth gradation into existing and unchanged scales of pay. Attention in this respect is invited to our report to your committee on H. R. 8094, Seventy-fifth Congress, dated March 4, 1938.

In comparison with prevailing rates not only in industry but within Federal establishments utilizing a wage-board procedure, we believe that an upward revision of the pay scales of the custodial service beginning with CU-2 would constitute desirable legislation. For example, the scale of pay under the present Classification Act of 1923 for journeyman craftsmen begins at \$1,680 a year and ends at \$2,040 a year. This scale of pay is very much below that set under a wage-board procedure for groups of employees doing parallel work and receiving the same privileges as to leave, and, in some instances, enjoying better conditions as to hours of work. It is desirable that the pay scales for maintenance craftsmen under the Classification Act be made to approach more closely the rates of pay for production, manufacturing, or construction craftsmen who are paid on the basis of prevailing rates.

We doubt, however, whether it is necessary or desirable at this time to raise the pay scales of the first three grades of the clerical, administrative, and fiscal service as contemplated in H. R. 626.

NIGHT DIFFERENTIAL

With respect to the proposed pay differential of 15 percent for night work, it may be pointed out that extra pay for night work has already been authorized for large groups of Government employees, whose salaries or wages are not fixed under the pay schedules of the Classification Act of 1923. Such employees are found in the Postal Service, in the Navy Yards, in the Government Printing Office, and in the Bureau of Engraving and Printing. The problem, however, should be considered as a Government-wide problem and an effort made to bring uniformity about as to the amount of the differential to be paid and as to the hours during which service would be rated as night work. There would be a good many classes of employees whose salaries would be fixed under H. R. 626, who would be engaged on night work. Most of these employees would fall in such classes as cleaners and laborers, building watchmen, firemen, engineers,

mechanics, penal guards, and employees in hospitals, such as nurses, attendants, and physicians. The night differential would apply not only to the compensation of full-time employees but also to that of personnel regularly employed on a part-time basis, including charmen and charwomen.

Since a pay differential for night work has already been authorized for several groups of employees in the service, the question again is one of broad governmental policy, namely, whether or not extra pay for night work should be made a more or less uniform feature of Government work. The Commission has no data on the basis of which it could estimate the cost of putting into effect the night pay differential authorized in H. R. 626.

SPECIAL DIFFERENTIALS

Section 3 of the bill, with one exception, practically duplicates section 3 (c) of the Ramspeck Act of November 26, 1940. The President is already authorized by law on recommendation of the Civil Service Commission to establish salary differentials for isolation, excessive physical hardship or hazard, or extracontinental location. The amount of such differential, as in H. R. 626, is not to exceed 25 percent of the minimum rate of the grade to which such office or position is allocated.

Section 3 of H. R. 626 goes further, however, and authorizes the President to establish salary differentials "where the cost of living is excessive." This authority, if approved, would apply within the continental United States. The general question of the feasibility of cost-of-living differentials within the continental United States was studied by the former Personnel Classification Board in connection with its field survey some time ago. Treatment of this subject appears on pages 292 to 298 of the Closing Report of Wage and Personnel Survey, House Document No. 771, Seventy-first Congress, third session. The Board concluded that the establishment of cost-of-living differentials between different areas or different cities within the continental United States was neither justified nor practicable. A similar proposal was discussed on the floor of the Senate a good many years ago in connection with a proposed revision of pay scales for the Postal Service and a similar conclusion was reached. See the Congressional Record for December 16, 1924, January 3, 1925, and January 5, 1925 (66th Congressional Record 645, 1127, 1211, 1219).

INITIAL PAY ADJUSTMENTS

In section 4 of the bill dealing with the method of initial adjustments of pay, we believe there is a typographical error. On page 4, of the bill, line 24, the word "first" should be repeated. The proviso in question deals with a situation where employees are now distributed among 7 rates in the grade and where those 7 rates are being changed to 6. Consequently, there must be 7 definite places indicated in the new 6-rate range. This can be done by repeating the word "first" so that employees in the old 7-rate grade, receiving the first and second rates, respectively, will both fall on the initial adjustment of pay into the first rate of the new 6-rate range. The problem of a transition, however, could be much simplified. In only one grade is the number of the present rates of pay changed, namely, in SP-1. The number of present rates in SP-1 is seven. The bill proposes to change this number to six. In view of the other salary ranges proposed in the bill, it would be better to add an additional rate, namely, \$1,620, at the top of SP-1, thus making it a seven-rate range. In that event, the proviso in section 4 could be eliminated.

Presumably, the bill contemplates that salary adjustments shall be made in the field service as well as in the departmental service. It may be well, accordingly, to avoid problems of interpretation by inserting another section in the bill reading somewhat as follows:

"The heads of the several executive departments and independent establishments having departmental or field positions in the grades affected by this Act, the compensation of which is required to be fixed in accordance with section 13 of the Classification Act of 1923, as amended, are authorized and directed to adjust such compensation to conform to the rates established for such grades under this Act."

We have been advised by the Bureau of the Budget that H. R. 626 is not in accord with the program of the President.

Sincerely yours,

HARRY B. MITCHELL, *President.*

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., March 7, 1941.

HON. ROBERT RAMSPECK,
Chairman, Committee on the Civil Service,
House of Representatives.

MY DEAR MR. CHAIRMAN: Referring to your letter of January 14, 1941, receipt of which was acknowledged on January 16, 1941, we desire to offer the following report on H. R. 1073, a bill to amend the Classification Act of 1923, as amended.

H. R. 1073 is a bill recommended to the House Appropriations Committee in a report made by the Bureau of the Budget as a result of a request for a study of the salary advancement problem contained in the report on the Treasury-Post Office appropriation bill for the fiscal year 1940. A complete discussion of the problem and of the provisions of the bill is contained in the House committee print of the Bureau of the Budget's report. Consequently, it is not necessary for the Commission to comment upon these provisions in detail.

A salary advancement plan from an administrative standpoint is a necessary complement to the existing provisions of the Classification Act. Good salary administration requires the establishment and maintenance of two procedures.

(1) The position-classification process results in the analysis and evaluation of individual positions and their classification in such a way that there shall be equal pay scales for equal work. This process is covered by the provisions and the current administrative practice under the Classification Act of 1923, as amended.

(2) The second process essential to good salary administration, involves the determination for each employee of the particular rate of pay within the pay scale for his classification that he is entitled to from time to time. It is this second process with which H. R. 1073 deals. Present conditions with respect to salary advancements within the grade are notoriously unsatisfactory. The problem of improving the situation is complicated by the fact that various agencies, administrative officials, and employees have different interests and desires.

The bill prepared by the Bureau of the Budget is in the opinion of the Commission a good product which meets well the conflicting interests and desires which are always involved in a problem of this kind. It will certainly tend toward uniformity and consistency in salary administration. We recommend, accordingly, that it receive the favorable consideration of the committee.

Sincerely yours,

HARRY B. MITCHELL, *President.*

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., March 3, 1941.

HON. ROBERT RAMSPECK,
Chairman, Committee on the Civil Service,
House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your request of February 13, acknowledged by us on February 15, for a statement of the Commission's views with respect to H. R. 3306. This is a bill to amend the Classification Act of 1923, by (a) removing from its scope certain positions in the labor, crafts, and trades groups, and (b) requiring for such groups the fixing of compensation on a prevailing-rate basis.

This bill is the same as H. R. 1981, Seventy-sixth Congress, first session, on which we rendered a report to the House Committee on Civil Service dated January 4, 1940. A copy of this report, which represents the views of the Commission on both H. R. 1981 and H. R. 3306, is enclosed.

We have been advised by the Bureau of the Budget that H. R. 3306 is not in accordance with the program of the President.

Sincerely yours,

HARRY B. MITCHELL, *President.*

JANUARY 4, 1940.

HON. ROBERT RAMSPECK,
Chairman, Committee on the Civil Service,
House of Representatives.

MY DEAR MR. CHAIRMAN: In compliance with your request of November 29, 1939, receipt of which was acknowledged on November 30, the following comments are submitted on H. R. 1981, a bill to amend the Classification Act of March 4, 1923, as amended.

H. R. 1981 applies only to skilled or semiskilled laborers and to apprentices, helpers, or journeymen in recognized trades or crafts whose compensation is not fixed by existing wage boards or similar administrative authority. For such groups of employees the bill provides that their weekly compensation shall not be less than that established by the Navy Department for employees of corresponding trades or occupations in the navy yard nearest to the point at which the work is performed or at the Philadelphia Navy Yard, whichever rate is greater. It also establishes a 40-hour week for such employees and safeguards them against any reduction in pay by reason of the provisions of the bill.

The bill thus affects not only some employees whose salaries are now fixed under the compensation schedules of the Classification Act of 1923 but also many others whose salaries are not fixed either under those schedules or by a wage-board procedure. Specifically, it would remove from the Classification Act of 1923 the only groups of laboring and mechanical trades positions to which the Classification Act now applies, namely, those engaged in the maintenance, operation, and custody of public buildings, equipment, or property, and those who work as aids to professional, scientific, or technical men in engineering or scientific laboratories. All laboring and mechanical groups except those falling in these two categories are now excluded from the Classification Act, and H. R. 1981 would eliminate these two groups also. In particular it should be observed that positions of foreman, shop superintendents, and other supervisory positions involving custodial or maintenance work or work in engineering or scientific organizations would remain subject to the Classification Act of 1923, so that, for example, the wages of instrument workers, optical workers, carpenters, machinists, plumbers, or the like would be fixed under H. R. 1981, whereas the salaries of their foremen and shop superintendents would continue to be fixed under the Classification Act of 1923. It might readily happen, under such circumstances, that the prevailing rates would be such as to result in a journeyman instrument worker, for example, receiving a higher rate of pay than the foreman of the instrument shop in which he works.

The problem of coordinating the scales of wages for the crafts and laboring groups across organizational lines in the field service is a rather difficult one. Generally, these positions, when they occur in manufacturing or processing plants of the Government, and when they are not paid on an annual basis, do not lend themselves to the application of the customary compensation schedules consisting of services and grades. Heretofore they have been excluded from the schedules of the Classification Act, and the Commission is therefore without direct administrative experience in the problem and would not be concerned in the administration of H. R. 1981 if it should become a law in its present form.

The Commission, however, offers the following treatment of the general subject in the hope that the information given will prove of assistance and value to the Committee on the Civil Service.

PRIOR LEGISLATIVE PROPOSALS

Attention is invited to various proposals that have been presented to Congress from time to time in an effort to treat the problem broadly. These proposals fall mainly into two categories: (1) Those that contemplate a central wage board serving all departments, and (2) those that contemplate separate departmental wage boards whose wage schedules shall not be lower than those of the Naval Establishment.

Examples of the first type of proposal are:

(a) In H. R. 8928, Sixty-seventh Congress first session, as reported out by the House Committee on Reform in the Civil Service on November 3, 1921, it was provided in section 8 that, "subject to revision and approval by the Bureau of the Budget," the rates of compensation for the trades and crafts and laboring positions "shall be fixed and readjusted from time to time by a board of three members to be known as the Federal Wage Commission, who shall be appointed by the President and shall hold office during his pleasure. One member of such Commission shall be chosen from the employees affected. The Commission is authorized to employ such assistance, at reasonable compensation, and make such necessary expenditures as may be appropriated for by Congress."

(b) In H. R. 17173, Seventy-first Congress, third session, introduced by Mr. Lehlbach on February 18, 1931, it was provided that the rates of pay for the trades and crafts for laborers, and for officers and members of the crews of vessels, "shall be fixed and adjusted from time to time by the (Personnel Classification) Board so as to conform, as nearly as is consistent with the public interest, with the prevailing rates for similar positions under similar employment conditions in

private establishments in the locality where the work is performed, or, in the case of marine positions, where the employment is made."

The bill continued:

"Such rates shall be determined after an investigational procedure conducted by the board which shall make use of existing wage board organizations and methods as far as practicable, after consultation with the heads of departments, and after opportunity for hearings open to employees affected has been granted * * *."

Examples of the second type of proposal are:

(a) In H. R. 6502, Seventy-fourth Congress, first session, introduced on March 7, 1935, by Mr. Granfield, it was provided that rates of compensation for mechanics and laborers employed by the War Department "shall be determined annually by the Secretary of War and shall conform as nearly as is consistent with the public interest, with rates paid by private establishments in the immediate vicinity of the War Department establishment: *Provided*, That in no instance shall the rate of compensation be less than that paid to employees of the Federal Government doing similar work in other departments or independent establishments within the corps area."

(b) In H. R. 7878, Seventy-fourth Congress, first session, introduced by you on May 3, 1935, it was provided that positions in the crafts and laboring pursuits, for which the compensation is not fixed by existing wage boards, or by administrative authority based upon recommendations of existing wage boards, "shall be paid in accordance with the prevailing rates in private industry for similar work in the community in which the work is performed: *Provided*, That the weekly compensation of such employees shall not be less than that received by employees of corresponding trades or occupations, under the current 'Schedule of Wages for Civil Employees Under the Naval Establishment,' in the navy yard nearest to the point at which such work is performed * * *."

Minimum weekly rates were established as those of the Philadelphia Navy Yard, and there was, further, a saving clause against reduction of pay through the operation of the proposed act.

(c) A somewhat similar provision appeared in H. R. 9199, Seventy-fourth Congress, first session, introduced on August 21, 1935, by Mr. Sirovich.

THE ADMINISTRATIVE PROBLEM OF FIXING WAGE SCALES ON THE BASIS OF PREVAILING RATES

From a Government-wide viewpoint, the fixing of wage scales on the basis of prevailing rates should be predicated upon certain uniform policies or principles, applicable to all departments alike, of which the following are the most important:

1. For the same kinds of employment, equal pay scales for equal work should be maintained in the same locality, irrespective of the identity of the particular department. That is, in a given location, the current pay scales for journeyman carpenters engaged on comparable work should be the same whether it is the Navy Department, the War Department, or the Department of Agriculture that pays the wage.

2. In order to determine, accordingly, which employments are of the same kind in different departments, and therefore are entitled to the same wage scale in the same locality, each position should be studied in terms of the work it involves, classified on the basis of such work, and given a title or designation conforming to this classification. Such classification and designation should be uniform for the same kind of employment across departmental lines, and therefore should be controlled by some central agency, serving all departments alike. Only in this manner is it possible in administrative processes to determine that certain positions in different departments are really alike and to identify them. Otherwise, there is no assurance that similarity of title means similarity of work. Like positions may be called by different names in different departments, and unlike positions by the same name.

As stated in 1931 by the former Personnel Classification Board in its Closing Report of Wage and Personnel Survey (H. Doc. No. 771, 71st Cong., 3d sess., p. 160):

"Uniformity in the use of occupational nomenclature is important in fixing the wages for mechanical and laboring pursuits, even though the method of fixing such wages may be different from that followed for other classes of employment. Wage schedules necessarily are promulgated by titles of positions, so as to identify the particular kinds of positions or the kinds of work and responsibilities to which the various rates apply. Such identification, however, requires a description of what each title means, in other words, a class specification corresponding to and defining each title used in the wage schedule. Furthermore, it is necessary that

the classification of positions for the purpose of applying special wage schedules be uniform in order that dissatisfaction and misunderstandings may not be caused through the use of the same job title for different occupations or different job titles for the same occupation and the consequent failure to pay the appropriate rates."

Furthermore, said the Board:

"Each user or reader of the wage schedule should not be left to his own interpretation or understanding of what the title means. Laborers, for example, in one department of the Government might be continually restive because men called laborers in another department were receiving larger pay for their work when, as a matter of fact, under a classification plan the difference between the work of the two groups and the justification for a difference in rates would be apparent. Furthermore, unless a central, coordinated control exists, administrative officers in one department might be misled by incorrect nomenclature into the incorrect use of wage data obtained from other Government departments in the fixing of rates of pay in their own department. Such unintentional errors might adversely affect either the Government or the employee."

3 In determining what the prevailing rates are in industry in a given locality for work comparable to that in a given kind of Government employment, it is necessary to be able to ascertain and demonstrate the comparability of Government positions with those in private industry whose rates are taken as criteria. This comparison, obviously, cannot be made for each individual position, but only by classes of positions, described for purposes of reference in terms of the work which they involve and identified by discriminative titles. Hence, whether the comparison is with other Government positions or with positions in industry, it must be made with full knowledge of the work each position involves, as indicated for record purposes by defined titles, not merely on the basis of likenesses in undefined titles that different Government departments or industrial establishments happen to use.

4. The consideration governing the selection of the private establishments in which wage data would be gathered should be uniform in different departments. Clearly, the selection of the private concerns whose wages are to be taken as criteria will have a considerable influence upon the rate which will finally be determined to be the prevailing rate for a given class of positions. In fact, in a given locality there might be several prevailing rates for a given type of employment; for example, one in relatively small concerns of unprogressive wage policy, one in a variety of concerns large and small chosen at random, and one in the larger progressive concerns with modern personnel policies. The question of the selection of the concerns to be covered is, therefore, important from the standpoint of coordinating wage scales across departmental lines.

5. Where industrial counterparts of Government positions do not exist in the locality, the wage scales for these positions have to be determined in relation to those established for Government positions for which counterparts have been found. This procedure involves an analytical comparison of the value, difficulty, importance, and responsibility of different kinds of work. It is a question calling for the application of judgment and one upon which the various departments might differ among themselves. Some method of coordination of results, when wage scales are fixed upon the basis of comparability of work, one Government position to another, is therefore essential.

6. The machinery for determining prevailing rates should take into consideration the wide distribution of Government employees and the fact that sometimes they are located in the smaller towns and rural areas, or in places where the Government is the principal or virtually the only employer. It may be questioned whether reference to the rates of the Naval Establishment at the nearest navy yard would always be a proper basis for fixing the wage scales of mechanics and laborers, wherever they may be located.

7. After all the data for a given class of positions have been tabulated in respect to the rates paid in private industry in the same locality, the result is a salary distribution table showing the number of comparable jobs in private industry at each salary rate paid. The prevailing rate is something that is statistically determined from this table. The method of computation selected for the purpose depends upon a decision as to policy and statistical technique that should be uniform, department by department.

We suggest the desirability of giving effect to the foregoing administrative considerations, among others, in passing upon H. R. 1981. As it stands, it makes little or no provision for meeting such problems of uniformity and coordination as those indicated above.

Sincerely yours,

HARRY B. MITCHELL, *President.*

STATEMENT OF HAROLD D. SMITH, DIRECTOR OF THE BUREAU OF THE BUDGET

The CHAIRMAN. The committee will please come to order. We have called hearings beginning this morning in connection with proposed amendments to the Classification Act, and we will consider in the same hearings all proposed amendments of the Classification Act.

I want to emphasize in the beginning for those who are interested, that we will only hear from Government agencies, one representative from each employee organization that may be interested, and, of course, from Members of Congress and authors of bills.

The first witness this morning is Hon. Harold D. Smith, Director of the Bureau of the Budget.

Mr. Smith advises me that it is necessary for him to leave as soon as he shall have made his statement, but he will leave a member of his staff and he will come back if that is desired. We all realize the pressure under which the Director of the Bureau of the Budget works, and therefore we are going to cooperate with him.

Mr. Smith, will you please proceed.

Mr. SMITH. In the first session of the Seventy-sixth Congress, the Appropriations Committee of the House of Representatives requested the Bureau of the Budget to make a survey of the situation throughout the Federal Government service regarding administrative promotions in order that a uniform salary advancement plan might be developed. The committee request is contained in the following excerpt from the report on the Treasury and Post Office Department's appropriation bill, fiscal year 1940 (76th Cong., 1st sess., Rept. No. 98, p. 7).

It appears that there has never been any well-defined policy in the matter of affording salary step-ups in the various departments and independent agencies of the Government within grades of the Classification Act. * * *

This lack of consistent approach to this most important problem has resulted in inequities and lack of the uniformity in pay contemplated by the Classification Act. It becomes self-evident to the committee, therefore, that the Bureau of the Budget should undertake a scientific appraisal of this entire question with a view of arriving at some means and method whereby uniformity of treatment in the matter of advances within grades based on efficiency may be attained.

After receiving the committee's request, the Bureau of the Budget made a survey of the facts regarding salary advancement in the departments and agencies of the Government at the close of the fiscal year 1939. This study confirmed the impression that there had been widespread differences in the opportunities for salary advancements and inconsistencies in the manner in which such increases had been handled among various departments and agencies.

The more important conditions revealed by our survey and which stand in need of correction are the following:

1. Employees of the Government holding positions subject to the compensation schedules of the Classification Act have been at a substantial disadvantage relatively in the matter of salary advancement by comparison with employees occupying positions in services covered by statutory promotion plans.

2. Employees occupying field positions have been under relative disadvantage by comparison with employees occupying departmental positions in Washington.

3. Substantial differences have been found in the opportunities for salary advancement as between employees in high and low salary brackets.

4. Considerable numbers of efficient employees have remained on the pay roll for periods of 3 years or longer without any increase in salary.

5. The present lack of controls on salary advancement leaves such wide administrative discretion that uniform standards for determining eligibility for advancement have not resulted.

6. Employees in agencies financed from relatively small and limited salary appropriations have been at a disadvantage in comparison with employees in agencies financed from large lump-sum appropriations.

7. In the absence of a uniform salary advancement plan and because of the different methods of appropriating funds, it has been difficult for Congress, for the Bureau of the Budget, and for the departments and agencies to be consistent in the provision for and use of funds for salary advancement.

8. The "average clause" contained in appropriation bills seemed necessary in the absence of other effective controls on salary advancement. Although this clause affects a relatively small group of employees at the present time, it presents an arbitrary barrier to salary advancement for the employees affected without regard to their efficiency, length of service, or value to an organization.

The Appropriations Committee's request for this study stressed the need for uniformity in salary advancement policies. Uniformity carries with it, however, an inevitable limiting of administrative discretion. Discretion in granting salary advancement is considered by many administrators as an essential prerequisite to the full utilization of the incentive value of promotions. Freedom of administrative discretion is the antithesis of formula; yet freedom of discretion may result in inequities in administration.

The problem of formulating recommendations for making salary advancements, therefore, calls for a compromise between complete freedom of administrative action and the automatic operation of a rigid formula.

In addition to uniformity, we have had in mind the following specific purposes and objectives in developing and recommending our salary advancement plan.

1. To promote economy and efficiency in the Government service.

2. To recognize superior work, to provide incentives for better performance, to improve employee morale, and to aid in attracting and keeping competent persons in the service.

3. To remove present inequalities in the administration of salary advancement.

4. With due regard to efficiency, length of service, and a reasonable period of time required for advancement from the minimum to the maximum salary level of each grade, to afford equal opportunity for all employees in positions subject to the compensation schedules of the Classification Act to attain the salary levels included in those schedules.

5. To keep the average annual cost of the plan, after the initial period of adjustment, approximately within the lapses and savings resulting from turn-over of personnel, filling of vacancies at lower salary rates, reduction of personnel through redistribution of work, and improved efficiency.

In order that this question might be approached from a personnel as well as from a fiscal and general management standpoint, we requested the cooperation of the Civil Service Commission and the

Council of Personnel Administration. While these agencies and individuals were most helpful to the staff of the Bureau of the Budget in the development of the proposals contained in our report, the Bureau of the Budget assumes full responsibility for the findings and recommendations.

In brief, the plan which we have recommended and which is now before this committee in H. R. 1073 provides that a salary advancement of one step within the grade shall be given each 18 months to employees in grades where the salary increments are \$60 or \$100, and in each 30 months to employees in grades where salary increments are \$200 or \$500 (proposed in the plan to be changed to \$250) provided (1) that no other equivalent increase in compensation has been received from any cause during the time specified; (2) that an employee's efficiency, service, and conduct shall have been satisfactory. In order to receive any advancement, an employee must have an efficiency rating of "Good" or better than "Good," and in order to receive advancement above the midpoint of the grade, his efficiency rating must be "Very good" or "Excellent."

In addition, the plan provides in section 2 (f) for administrative discretion to grant additional salary advancements in unusually meritorious cases. This provision makes it theoretically possible for an employee to be advanced twice as rapidly as under the framework of the general salary advancement plan. We regard such authority as indispensable to effective operation of a promotion plan. Salary advancement, if it is to serve its purpose as an incentive to better work and as a reward for past effectiveness, should not become an automatic right. Any system that does not provide a reasonable amount of administrative discretion in the granting of increases fails to achieve this purpose and becomes entirely automatic in operation.

Under the proposal for regular periodic increases, it will be noted that employees in grades with minimum salaries less than \$3,800, are eligible for advancement to the top of their grades during a period of 9 years. Eligible employees in the higher salaried groups wait a period of 10 years before attaining the maximum salary for their grades.

The spread from minimum to maximum salary level and the size of the salary increment steps bears a relatively constant ratio to the base salary for each grade. That is to say, a \$60 increment with a maximum spread of \$360 bears approximately the same relationship to a base salary of \$1,440 as does a \$200 increment with a spread of \$800 to a base salary of \$3,800. It seems entirely consistent with the objectives of the Classification Act that approximately the same period of time should be required for advancement from the minimum to the maximum salary rates in all grades. The proposed plan, requiring 9 and 10 years respectively for the full amount of salary advancement, approximates this objective. Since the number of steps in the higher salary grades is smaller than in the lower, it obviously becomes necessary to require a somewhat longer waiting period between increases in the higher brackets, if we are to provide for advancement to the top of the grade in about the same period of time regardless of the salary level.

Particular attention was given to the situation for the classification grades with base salaries of \$6,500 and \$8,000. At the present time these grades provide for only two salary advancement steps of \$500. If the maximum salary for these grades were to be attained in a period

of 10 years, it would call for a waiting period of 5 years between increases. This seems to be an unreasonably long period of time; it also results in a minimum of incentive value being attached to the salary advancement plan for these grades. In view of these facts, and in order that employees in these grades may be treated on a basis comparable to employees in grades with a \$200 salary increment, section 4 of the bill provides for amending the Classification Act so that these grades will have four steps of \$250 each.

We have considered other possible requirements for the waiting period and have concluded that the arrangement for 18 and 30 months, respectively, is a satisfactory means of spreading salary advancements to the maximum of the grade over approximately the same time period in both low and high salaried groups. Also, the length of these waiting periods is such that the cost of the plan is not unreasonable.

The cost of a salary advancement plan is a matter of first importance in determining its feasibility. A salary advancement plan should promote economy. It should in the long run pay for itself. Its operation should not represent an ever-increasing cost of Government services.

In our report we made a detailed estimate of the cost of our recommended plan. This estimate was necessarily based upon the factual situation existing on June 30, 1939, the date to which our survey data related, and involved certain important assumptions. We assumed that the plan went into operation on July 1, 1939; that the number of employees covered by the plan remained unchanged at approximately 304,000; that the rate of turn-over and line promotions existing at the start of the plan continued constantly throughout its operation; that the distribution of efficiency ratings among the adjective categories remained unchanged. All of these assumptions had the purpose of isolating the effect of the salary advancement plan itself. It was fully realized that any material change in any one or more of these factors would have its corresponding bearing upon the operation and cost of the salary advancement plan. Nevertheless, the cost figures in our report can be considered as a bench mark. Any increase in coverage would entail a proportionate increase in cost.

Based upon these assumptions our estimates indicated that in the first year of operation of the salary advancement plan approximately 159,000 employees would become eligible for advancement. This number of advancements would represent a net increase of approximately 7½ million dollars in the annual pay roll. However, savings resulting from the staggered dates upon which increases are granted would reduce the cash requirement during the first year to 5½ million dollars.

The salary-advancement plan with a coverage of 304,000 employees would, after 10 years of operation, result in an increase in the annual pay roll of \$29,000,000 above the amount of the pay roll at the beginning of the operation of the plan.

It is highly significant that the increase in pay roll for each year, if averaged over a period of 10 years, represents less than \$3,000,000 per year or less than one-half of 1 percent of the annual pay roll of approximately \$600,000,000 paid to the 304,000 employees covered by the plan.

After the plan has been in operation for as many as 10 years, the lapses resulting from turn-over and line promotions will almost equal

the annual cost of granting the increases to the eligible employees, and there will be little or no further additional cost. The plan will become self-supporting.

Since the preparation of our report, there has been an obvious increase in the number of Government employees, and hence in the coverage and cost of the plan.

Data submitted in connection with the Budget estimates for 1942 indicate that on June 30, 1940, the number of employees which would have been covered by the plan would have been approximately 346,000 instead of 304,000 reported on the pay rolls in positions subject to the provision of the plan on June 30, 1939. Further increase in coverage is, of course, occurring during the present fiscal year and will continue into next year.

The increase in coverage of the plan is due not alone to the increasing size of the Government but also to the transfer of positions to the compensation schedules of the Classification Act, as a result of reorganization plans and by anticipated extension of the Classification Act pursuant to the provisions of the Ramspeck Act.

Expansion in the size of the Government structure creates an increased opportunity for promotion from grade to grade and improved general business conditions have tended to raise the rate of turn-over in Government positions. This increased rate of turn-over and promotion raises the proportion of the total cost of salary advancement plan which can be borne from lapses and without the necessity for new money.

However, in contrast to this factor, the restrictions on promotions which are in existence during the current fiscal year and which resulted from certain reorganization changes during the last fiscal year tend to accumulate a backlog of eligibility for salary advancement under the promotion plan. This factor would mean an increase in the cost during the first year of operation.

It is obvious that these cost factors are complex and interrelated. An accurate estimate of the appropriation needs during the first several years of the operation of the plan would have to be made, as indicated in our report, upon a supplemental or deficiency appropriation basis.

The present consideration of this problem by your committee is exceedingly timely. The emergency situation calls for the highest degree of employee morale in the Government services. Undoubtedly, the Government is currently losing a number of highly competent persons because of the absence of any salary advancement plan.

During the current fiscal year, salary advancements are restricted by legislation and by a formula recommended last year by the Appropriations Committee. These restrictions and the formula were frankly recognized by the committee to be a temporary stop-gap until such time as a more adequate long-range plan could be adopted.

Up to the present time, neither the Budget for the fiscal year 1942 nor the appropriation bills, which have passed the House of Representatives, carry any restrictions upon or any provisions for salary advancement in the next fiscal year. It is obviously of very great importance that a uniform approach to this problem in the next fiscal year be adopted by the Congress. The Bureau of the Budget has refrained from making any temporary recommendations on this

subject for the next fiscal year in the hope that it would be possible for the Congress to adopt a long-range plan.

The CHAIRMAN. Mr. Smith is unable to stay longer, but if gentlemen of the committee wish to question him he will be glad to come back later for that purpose.

We thank you very kindly for your interesting statement, Mr. Smith.

Mr. SMITH. I am glad to have been with you.

STATEMENT OF E. B. YOUNG, BUREAU OF THE BUDGET

The CHAIRMAN. The next witness is Mr. E. B. Young, a member of the staff of the Bureau of the Budget. He does not have a prepared statement, but will be glad to answer any questions that may suggest themselves.

Mr. RANDOLPH, have you any questions to ask the gentleman?

Mr. RANDOLPH. Yes, please. Mr. Young, of course you are familiar with the details of the statement and the study outlined here by Mr. Smith, the Director of the Bureau of the Budget, so that in connection with the questions I shall ask you will be prepared to answer for the Bureau of the Budget.

Mr. YOUNG. I will do my best.

Mr. RANDOLPH. First of all the Bureau of the Budget, carrying out the request of the Committee on Appropriations in 1939, took 2 years to study this problem; is that true?

Mr. YOUNG. An interim report was submitted to the Committee on Appropriations with temporary recommendations in time for inclusion in the 1941 Budget. At the time that was submitted an analyses of the data had not been completed and the Bureau was not ready to make a final recommendation.

Final recommendations were submitted to the Committee on Appropriations in September 1940.

Mr. RANDOLPH. In other words, about a year and a half after you were requested or directed to do so.

Mr. YOUNG. Yes.

Mr. RANDOLPH. Then we may say that the situation with respect to pay increases and their uniformity is very much muddled, if it took that long to bring out the different factors.

Mr. YOUNG. The situation to which the Committee on Appropriations very properly directed attention was, we felt, a bad one. The factual evidence which the Bureau secured has confirmed that impression.

Mr. RANDOLPH. As I understand from listening to Mr. Smith, there was no uniform policy in the Government for pay increases except where we had an automatic promotion law; is that correct?

Mr. YOUNG. Yes.

Mr. RANDOLPH. In the second place, the employees in the upper grades had a better chance for reclassification and transfer to new jobs than the employees in the lower grades. Is that a statement of fact?

Mr. YOUNG. Our studies indicated that, by and large, throughout the service those in the higher brackets got the "breaks."

Mr. RANDOLPH. And, third, the employees in the lower grades, say, within the \$60 salary increase, only 1 percent had gone to the top of their grade; 1 percent of them, according to a study of mine, while

those in the \$5,000 bracket showed that 18 percent had gone to the top of their grades. That was not brought out by Mr. Smith, but I believe that is to be deduced from the report of the Bureau of the Budget and would indicate a discrimination against the workers in the low-salary brackets; is that true?

Mr. YOUNG. I would want to refer to the data in our report before answering that. I can take time now to do that, or I can put it in the record later.

Mr. RANDOLPH. You can handle that later. As a general statement, that is true, is it not?

Mr. YOUNG. Yes; and in addition, employees in the higher salary levels have somewhat better opportunity for promotion to higher grades. That situation is a perfectly natural result of the fact that turn-over and opportunities for promotion from one grade to another occur more frequently as one goes up the scale; therefore what appears to be a discrimination against employees in lower salary levels may not be an intentional discrimination at all.

(The information requested is the following:)

Our study revealed 1.4 percent of employees in grades with \$60 salary increments had reached the top salary of their grades, whereas 6.7 percent had attained the maximum in those grades with a \$200 increment—that is in the ranges from \$3,800 to \$6,400.

Mr. GALE. As I understand, these provisions for advancement are not automatic; they are all discretionary with the heads of departments and independent offices.

Mr. YOUNG. The bill recommended by the Bureau of the Budget provides for two kinds of salary advances. One is what we might describe as a semiautomatic advancement that would occur at regular periodical intervals of 18 or 30 months, depending upon the salary grades. Eligibility for advancement would be based upon conditions set forth in the bill: Length of time since receiving the last promotion, the attainment of a certain efficiency rating which would entitle the employee to advancement under the terms of the bill, and assurance that the employee had had no salary increase of any kind—except for the particular provision made in section 2 (f)—during the stated time. In order to receive any advancement, an employee must have an efficiency rating of good or better than good, and in order to receive advancement above the midpoint of the grade, his efficiency rating must be very good or excellent.

The other type of increase is in addition to that and is provided in section 2 (f) which gives administrative discretion to grant additional salary advances in unusually meritorious cases. As was stated by Mr. Smith, this provision makes it theoretically possible for an employee to be advanced twice as rapidly as under the framework of the general salary advancement plan. We regard such authority as indispensable to effective operation of a promotion plan. Salary advancement, if it is to serve its purpose as an incentive to better work and as a reward for past effectiveness, should not become an automatic right. Any system that does not provide a reasonable amount of administrative discretion in the granting of increases fails to achieve this purpose and becomes entirely automatic in operation.

There are certain restrictions proposed upon this type of increase. First, the proposed advancement will have to be within available funds. The semiautomatic promotions would take priority in the

use of available funds. Secondly, these are to be reserved for exceptionally meritorious cases. Finally, all actions under this section are to be reported to the Civil Service Commission and the Commission is to report to the Congress the number and types of such cases.

In connection with that, Director Smith would like to suggest to the committee a clarification of language of section 2 (f).

Our suggestion does not alter the substance or intent of the section. The present language has the same legal interpretation as our proposed revision. But further study has led us to conclude that a clarification was needed to remove any doubt as to meaning.

The CHAIRMAN. It is a proposed amendment?

Mr. YOUNG. Yes.

The CHAIRMAN. We shall be glad to have it.

Mr. YOUNG. We want to suggest: Substitute language for first sentence of section 2 (f) of H. R. 1073: "Within the limit of available appropriations, and in recognition of especially meritorious services, the head of any department or agency is authorized to make additional within-grade compensation advancements, but any such additional advancements shall not exceed one step and no employee shall be eligible for more than one additional advancement hereunder within each of the time periods specified in subsection (b)."

The CHAIRMAN. We shall be glad to consider that amendment, Mr. Young.

Mr. YOUNG. Thank you.

Mrs. ROGERS. Do you feel that the pending bill would help to do away with the very obvious unfairness of efficiency ratings in some branches of the Government, for instance, where the head of a division will say to one of his employees that he is not up to the standard required for advancement whereas the employee is undoubtedly up to that standard, simply to keep the man down?

Mr. YOUNG. Mr. Chairman, as our friends of the Civil Service Commission will agree, we feel that the efficiency rating system is a highly imperfect tool. We pointed out in the report that improvements in the efficiency rating system were urgently needed and we suggested in the report that a continued study of that problem should be carried on under the Civil Service Commission and other interest bodies and that there should not be any relaxation in efforts to improve the efficiency rating system. We pointed out also that action on a salary advancement plan would not in any way hinder or deter further consideration of the efficiency rating problem.

An efficiency rating system is one of the keystones that must underlie any just salary increase plan.

Mrs. ROGERS. That plan has been manifestly unfair for years and it continues to be unfair, as we all know.

Mr. YOUNG. The problem of a proper efficiency rating system is an awfully complex one. It is terribly hard to get one that will operate with what is generally agreed to be a fair treatment of all employees; but that should not stop us from trying to improve such a system.

Mrs. ROGERS. Do you think this proposal will tend to help that situation?

Mr. YOUNG. I do not think the adoption of this plan itself will help, except that efficiency ratings will become increasingly significant to individual employees and to the administrators in charge of departments, and the added significance of the efficiency ratings, if this plan

is to be adopted, will be an additional prod or incentive to improve the efficiency rating system. Nothing in this proposal will cure the ills of the existing efficiency rating system.

The CHAIRMAN. Mrs. Rogers, you remember in the civil-service extension bill, title 2, that we set up appeal machinery to deal with efficiency ratings, and we all hoped that such would improve the system. At least it gave the employees a chance for a hearing.

Mrs. ROGERS. Yes.

I think that representatives of the departments should appear here, and acquaint us with many things that we desire to know in connection with this matter.

The CHAIRMAN. Efficiency ratings have not been satisfactory and probably they never shall be. Human nature is such that people are bound to feel that they have not been treated right if they do not get what they think is a proper rating, but we have set up for the service machinery which we hope, when it gets into proper operation, will at least reduce these difficulties and defects. As Mr. Young points out, it is increasingly important, certainly if we adopt this proposal, that we have a good efficiency rating system.

Mrs. ROGERS. It is manifestly unfair to mark one who is really efficient lower just to keep the level of salaries or the average of salaries down.

Mr. YOUNG. The recommendations in the bill with respect to efficiency ratings propose that eligibility for advancement shall continue in precisely the same manner, so far as efficiency ratings are concerned, as now. Under this proposal, in order to receive any advancement, an employee must have an efficiency rating of good or better than good, and in order to receive advancement above the midpoint of the grade, his efficiency rating must be very good or excellent. Experience indicates that throughout the service a negligible portion of employees receive efficiency ratings below good, that is, fair or unsatisfactory ratings. Our suggested plan proposes that advancement above the midpoint of the grade shall be reserved for those with ratings of very good or excellent.

The proportion of employees receiving very good or excellent ratings differs considerably among the departments and agencies; but it is fair to say that a very sizable proportion, more than one-half, are currently receiving ratings of very good or excellent.

Mrs. ROGERS. They would get the increases, regardless of how many there might be, in a certain section.

Mr. YOUNG. Yes. Related to that question is our recommendation that the types of control recommended in our plan be recognized by Congress as substitutes for the existing average provision in appropriation laws.

The CHAIRMAN. Are you in position to give the committee a brief statement of the present policy of promotion, the policy that has been in existence for the last few years.

Mr. YOUNG. I can give a statement of policy that is in force this year. Prior to this year there was not any general policy with reference to the whole Government. The Committee on Appropriations, in its report on the independent offices bill for the fiscal year 1941, included in that bill a provision restricting the amount which might be used for promotion for within-grade salary advancements. Would you care to have me put that in the record?

The CHAIRMAN. Please put it in.
(The matter referred to is as follows:)

SEC. 5. The total amount used on an annual basis for administrative within-grade promotions for officers and employees under any appropriation or other fund made available in this Act shall not exceed the amount determined by the Bureau of the Budget to be available for such purpose on the basis of the Budget estimate for such appropriation or fund exclusive of new money in any such Budget estimate for such administrative promotions.

Mr. YOUNG. As a background for discussing this situation, may I indicate briefly the origin of these recommendations? The Bureau of the Budget was under obligation to the Committee on Appropriations to make some recommendations for bringing about some degree of uniformity during this current fiscal year; and the Budget estimates for the fiscal year 1941 included approximately \$7,000,000 for salary advancements. It was estimated that approximately \$4,000,000 of the \$7,000,000 would be realized through lapses and about \$3,000,000 of new money was included for salary advancements in the 1941 estimates.

The CHAIRMAN. Explain the term "lapses."

Mr. YOUNG. We understand the term "lapses" to be the saving that results when a position which has been filled at one salary level within the classification grade becomes vacant by promotion or separation from the service and that position is filled by an appointment at the entrance rate of salary. For instance, a CAF-2 stenographer may be receiving \$1,560 a year whereas the entrance salary for that position is \$1,440 a year. If that stenographer leaves the service, a vacancy is created which can be filled at the entrance salary of \$1,440. Thereby \$120 a year is saved and recognized as a lapse, and is available for salary increases without increasing the total pay roll of that unit.

Mr. BECKWORTH. Is that the usual policy or would they advance somebody from \$1,440 to \$1,560 a year?

Mr. YOUNG. Either could be done. In filling the vacancy at \$1,560, somebody would be promoted, and another vacancy would be created at the \$1,440 rate.

Mr. BECKWORTH. In your opinion, which is usually done?

Mr. YOUNG. I think both are done.

The CHAIRMAN. If somebody is promoted, the chances are that somewhere down the line there will be a position filled at the entrance salary and there will be some lapse money involved.

Mr. YOUNG. Yes.

There is another way by which lapse money is acquired. A position may remain vacant for weeks or months and the appropriation for that salary is not used. That, however, is hardly properly regarded as a legitimate source of lapses with which one may make administrative promotions.

Mr. BECKWORTH. How much lapse money is there each year?

Mr. YOUNG. It was estimated in the Bureau of the Budget estimates for 1941 that the departments and agencies could save approximately \$4,000,000 in that manner.

Mr. BECKWORTH. That is what they could save; how much have they actually been saving?

Mr. YOUNG. I have not accurate figures covering that over the years. In 1939 they saved about \$4,000,000.

MR. KILBURN. Is Mr. Young the only witness here? He, of course, represents the Bureau of the Budget, which organization is supposed to be the watchdog of the Treasury.

THE CHAIRMAN. Yes.

MR. KILBURN. And the other witnesses will be from the departments that propose this system of increase?

THE CHAIRMAN. Mr. Baruch, who is in charge of the Division of Classification in the United States Civil-Service Commission, will be a witness.

MR. KILBURN. Does the Bureau of the Budget feel that the Government is justified in expending \$30,000,000 over 10 years for the same number of civil-service employees?

MR. YOUNG. That question has been very seriously considered by the Director of the Bureau of the Budget and his staff. At the present time the average of salaries paid employees in the Federal service is a little less than one step above the entrance rates of pay. The Classification Act provides a range of salaries for each grade of positions, and on an average, employees are not attaining the salary levels that were provided in those ranges of positions. Our recommendation would increase over a period of time the average of salary paid to all employees in the service. That would bring salaries up to slightly below the midpoint. The average would not exceed the midpoint of the range.

MR. BECKWORTH. In dollars and cents what is the midpoint of the range?

MR. YOUNG. The midpoint varies with each grade. The midpoint of grade CAF-2, ranging from \$1,440 to \$1,800 a year, is the third step up, that is, \$1,620 per year. Similarly, the midpoint of CAF-14 is \$7,000, or half way between \$6,500 and \$8,000.

MR. KILBURN. If I am correctly informed, nearly each time a civil-service job is thrown open for examination, if there are, say, 500 vacancies, about 200,000 take the examination. In other words, civil-service jobs are very much sought. Has the Bureau of the Budget considered the scale of salaries too high? The Government has a business to run and we are going very much into the red. A great many people want to work for the Government; and can we not, perhaps, cut down on expenses in connection with our civil service?

MR. YOUNG. May I answer the last part of your question in this manner: The Committee on Appropriations gave the Director of the Bureau of the Budget a specific problem, namely, that of formulating recommendations for a salary-advancement plan. We would not contend that our proposals on that plan are an answer to all related problems in the Classification Act. There are many other problems of classification of salaries that need attention. I cannot speak for the Director of the Bureau of the Budget in answer to your question as to whether Government salaries generally should be increased or decreased.

THE CHAIRMAN. The question involved here is not the one Mr. Kilburn has asked, but is a question of the operation of a system of salary advancements which is already the law but which has not been functioning properly; is not that correct?

MR. YOUNG. As we understand the philosophy back of the Classification Act, it was that for each grade of position there would be a range of salaries. Those employed over a period of years of efficient

and useful service would be entitled to advancement through the different salary levels in the grades. That advancement, by and large, throughout the Federal service, is not now occurring.

Mr. BECKWORTH. If they had \$30,000,000 which this plan calls for—

Mr. KILBURN. That is over a period of 10 years.

Mr. BECKWORTH. Would you feel that it would be occurring?

Mr. YOUNG. Yes.

Mr. BECKWORTH. Therefore it is a matter of money, is it not?

Mr. YOUNG. Not solely.

Mr. BECKWORTH. Who is doing the job now, the Civil Service Commission?

Mr. YOUNG. The responsibility for salary advances rests with the head of each department and agency.

Mr. BECKWORTH. To what extent, if any, is the Civil Service responsible?

Mr. YOUNG. The Civil Service Commission has no control over advancements within the grades.

Mr. BECKWORTH. In your opinion, if the heads of the departments had the money, there would be advancements?

Mr. YOUNG. I think that is true, but there would still remain a need for the adoption of a uniform plan for salary advancement in the service as a whole.

Mr. BECKWORTH. Does not the Civil Service Commission have any responsibility along that line?

Mr. YOUNG. No; but I should prefer that the representative of the Commission, who is here, answer that.

The CHAIRMAN. The Civil Service Commission does not have any control over the question of salary advancements within grades. That is fixed by the Classification Act and administered by the head of each operating department.

There is one point that should be brought out here, I think, relating both to your question and the question asked by Mr. Kilburn. As I understand, the Bureau of the Budget says that over a period of years it is estimated that this proposal will actually save money in comparison with the present expenditures for salary advancements.

Mr. BECKWORTH. Is there any amount named in connection with the estimate of present expenditures?

Mr. YOUNG. In 1939 \$7,000,000 was expended for that purpose.

Mr. KILBURN. How many years would it take for us to save money under this proposed plan?

Mr. YOUNG. After an operation of 10 years we estimate that the lapses resulting from turn-over in the service will make the plan self-supporting.

Mr. BECKWORTH. In 10 years how much money would have to be expended?

Mr. YOUNG. On an annual basis, at the end of 10 years, the annual pay roll will have been increased by about \$29,000,000.

The CHAIRMAN. Let us nail down that one proposition. You say that over 10 years the total pay roll will have increased by about \$29,000,000. Under the present system the same increase or more would have resulted, would it not?

Mr. YOUNG. I think that is true.

The CHAIRMAN. So that this proposal does not contemplate an actual increase in the total pay roll of the United States Government, does it?

Mr. YOUNG. I think it is proper to consider the cost of this proposed plan as being a frank recognition and a regularizing of something that has been going on for years and something that needs to be handled under a uniform policy and system for the service as a whole.

Mr. HARRIS. As I understand, these bills are recommended by the Bureau of the Budget?

Mr. YOUNG. One bill, H. R. 1073, embodies the suggested plan of the Bureau of the Budget.

Mr. HARRIS. Under the present reclassification law, there is a provision for advancement, a salary-advancement plan, is there not?

Mr. YOUNG. There is a policy, but we do not think it goes far enough to create the desired uniformity.

Mr. HARRIS. The need for this bill as presented is not to increase or decrease the cost, but to increase the efficiency and make a more uniform plan for the advancement of salaries.

Mr. YOUNG. That is the idea.

Mr. HARRIS. And it has in mind the elimination of inequities that exist under the present Reclassification Act.

Mr. YOUNG. That is right.

Mr. BECKWORTH. Have you any idea of regularizing the situation and using the same amount of money that is being expended?

Mr. YOUNG. So far as the Bureau of the Budget is concerned we recognize this type of plan as one that will cost at first more than the cost under the present system. We think that the result in justice to employees and in terms of increased efficiency in the service as a whole will be greater than in the past.

Mr. BECKWORTH. How much would this cost additoinally at first?

Mr. YOUNG. During the first operation of this plan the actual dollar value of advancements which would occur would amount to about \$12,000,000. Of that, between \$4,000,000 and \$5,000,000 could be realized from lapses and \$2,500,000 could be saved on account of the staggered time of increases and the fact that the commitments would not be for a full year. The first year net cost would amount to about \$5,500,000.

Mr. BECKWORTH. Over what sum?

Mr. YOUNG. Over the \$600,000,000, the pay roll for 304,000 employees covered by the plan.

Mr. BECKWORTH. Actually you could regularize your system and pro rate the \$600,000,000 and it would not affect anybody except by a few dollars and cents; you could do that without any money because you would be dealing with \$600,000,000 as it pertains to many, many more millions.

Mr. YOUNG. When one tries to apportion the cost of this type of plan in the form of savings among the vast number of appropriation units, he encounters many small units which cannot bear the cost of the plan and cannot realize savings in its operation.

Mr. BECKWORTH. Give an example.

Mr. YOUNG. There are many large appropriations units in which there is a lump-sum appropriation for salaries and expenditures. In such cases it may be possible that substantial savings can be made, while in other cases where there are small appropriation units with a salary limitation the commitments may be up to the full amount of the appropriations, and there is little opportunity to make a saving.

Mr. KILBURN. This proposal is to make the promotion system a fairer proposition than now prevails, nevertheless this bill does involve an increase in Government expenditures just as the present systems involve an increase in Government expenditures if it should be carried out. I am wondering whether the Bureau of the Budget, in these desperate times of national defense, which call for such great expenditures, is trying to cut down these things that are not actually necessary in our national defense. Before us is a bill that would cost the Government \$29,000,000 and our present system will probably increase expenses very much. I am wondering whether we could not cut this down and not injure anybody?

Mr. YOUNG. The Bureau of the Budget has given serious consideration to the timeliness of this proposal. It is our considered judgment that the need for the highest degree of employee morale and efficiency in the service has been increased rather than decreased by the defense emergency. The adoption of a plan of this sort would tend to improve the condition that is faced by many agencies particularly in the national-defense program in which they are undoubtedly losing many competent persons because of the absence of any plan that holds an incentive for continued service with the Government. That is an indirect answer to your question. My direct answer is this: I am speaking personally and not for the Director of the Bureau of the Budget. This type of plan is in the direction of economy in terms of improved Government service and in terms of a long period of years, more than 10 years. The economy will be affected by a reduction caused by a better service.

Mrs. ROGERS. Do you feel that it is fair to have this go into effect even in the face of the existing emergency?

Mr. YOUNG. Yes. The situation that has been presented to us by representatives of numerous departments and agencies is to the effect that restrictions upon salary advances during the last fiscal year are creating a very bad condition. There have been numerous attempts to get relief from that condition on the part of a number of agencies, particularly those in the national-defense program. It has been presented to us very forcefully that a logical plan of salary advancement is urgently needed for carrying on work of the Federal Government in this national emergency.

Mrs. ROGERS. Is it not true that many persons who have been in the civil service a long time have not received any promotions, while new employees are being brought in at greater salaries than those received by many who have been in the service a long time?

Mr. YOUNG. Yes; that is right.

I want to revert to a question by the chairman. The regular annual appropriation acts for the fiscal year 1941 for the executive departments and independent agencies include the following provision: "The total amount used on an annual basis for administrative within-grade promotions for officers and employees under any appropriation or other fund made available in this Act shall not exceed the amount determined by the Bureau of the Budget to be available for such purpose on the basis of the budget estimate for such appropriation or fund exclusive of new money in any such budget estimate for such administrative promotions."

May I indicate the manner in which funds were determined as being available? There were in the total Budget for the fiscal year 1941

approximately \$7,000,000, as indicated, for promotion purposes, of which \$3,000,000 was new money. The \$4,000,000 was expected to be realized from lapses.

Under the language of this section, the maximum amount that could be determined as available throughout the Federal service for this purpose was approximately \$4,000,000. That amount was apportioned among the departments and agencies in the same proportion as their original promotion estimates had called for. So that the legal aspects of the restrictions this year are to the effect that the Bureau of the Budget must determine the maximum amount any agency may expend for this purpose.

In addition to including that language, the Committee on Appropriations recommended in its report on the bill that in granting salary advancements within the maximum amount, the heads of the departments should follow a formula that would provide advancements under certain conditions. The formula provides a one-step promotion for employees, having an appropriate efficiency rating, in grades having a maximum salary of \$3,200 or above, who have not received a promotion since June 30, 1935, and to employees in grades having a minimum salary of less than \$3,200, who have not received a promotion since June 30, 1937.

The present restriction is a 3- and 5-year restriction and it exists in the nature of a recommendation from the Committee on Appropriations. The Bureau of the Budget, in keeping with the intent of the committee, issued a circular letter to the departments calling attention to the recommendation and urging them to follow that recommendation.

The CHAIRMAN. Prior to the language to which you have just referred as being inserted in the appropriation bills, as I understand, the head of any operating department could use available funds for promotions in any way he saw fit; is that correct?

Mr. YOUNG. That is right. But it is proper to mention two limitations, one having to do with efficiency rating eligibility for promotion and the other the provision that has been written into the appropriation bills, known as the average clause. Those operate as restrictions in limiting the number of cases.

The CHAIRMAN. That is true. The point is that under the present system, except for the limitations imposed by the Committee on Appropriations, it is possible for some employees to be given large increases in salaries, from \$500 to \$1,000, at a time and hundreds of employees in the lower ranges to get nothing over many years. The purpose of the bill the Bureau of the Budget has recommended is to regularize, as Mr. Beckworth says, the system, and bring order out of chaos in connection with salary promotions.

Mr. YOUNG. That is right.

Mr. BECKWORTH. I did not use the word "regularize" in the first instance. The gentleman who is testifying used it first.

The CHAIRMAN. And it is the opinion of the Bureau of the Budget that over a period of 10 years this will not cost any more money and in fact will cost us less money than the system now in existence; is that right?

Mr. YOUNG. Yes; and that is without regard to the probability that there will be very material economies resulting from improved morale, improvement in attitude of employees toward their work, and a general improvement in the tone of the Government service.

Mr. BECKWORTH. On that basis it behooves all of us to try to enact a measure of some type that will do that which you say is very desirable, whether it costs more or not.

The CHAIRMAN. I was trying to emphasize the fact that the Bureau of the Budget is not recommending a plan calling for general increases of salaries for Federal employees. Some people have acquired the idea that this is a salary increase bill; but it does not increase a single salary.

Mr. BECKWORTH. Reading from Bureau of Budget report I find that the gross commitment on an annual basis is, for the first year \$12,414,000, the second year \$12,068,000, the third year \$8,105,000, the fourth year \$11,426,000, the fifth year \$11,199,610, the sixth year \$8,959,650, the seventh year \$10,599,100, the eighth year \$10,170,580, the ninth year \$9,063,210, and the tenth year \$8,984,990.

That is the thing that causes us to misunderstand. I understand that right under there is a figure that implies there will be a saving. We have no assurance that in the eleventh year that may not call for more. When we consider a 1-year plan to save money, we must remember that people simply do not save money on a 10-year basis. Usually one cannot forecast what will happen the eleventh or the twelfth year. That is the essence of my own experience.

Mr. KILBURN. I think we ought to have a system that will be fair to everybody; and it would be strange if a change of this kind did not actually increase costs.

Mr. YOUNG. A way to look at this and which may clarify it is to again call your attention to the average of salaries paid. One cannot carry on any kind of uniform promotion system without somehow, over several years, gradually raising the average of salaries paid all employees. If at the present time the average of pay received, as indicated, is slightly less than one step above the entrance salary of the grades, you cannot within that average of salary, carry on a program of salary advancement without bringing in some additional money, which, over a period of years, will cause the average of salaries paid gradually to go up.

There is, however, a limit under our recommendations to that increase in the average. Our figures very definitely show that in the time schedule this plan will have a rising curve for 3 or 4 years until it begins to level off. It will rise sharply during the first 3 or 4 years and then level off and the plan become self-supporting.

Mr. BECKWORTH. Did you figure for longer than 10 years?

Mr. YOUNG. By the computations for 10 years we satisfied ourselves that the leveling off then shown would continue.

Mr. BECKWORTH. Did you calculate for the eleventh and twelfth years?

Mr. YOUNG. Yes; there was a continuing reduction in the eleventh and twelfth years.

Mr. BECKWORTH. Then would you say that it would level off in 20 or 25 years?

Mr. YOUNG. We feel confident that after 10 years the plan will be self-supporting. The savings that may be realized will outweigh the additional cost of the plan. What would actually occur is that gradually there would be an increase in the average of salaries paid. There is no increase in the scale of salary ranges established by the Classification Act, but it is a recognition that over periods of years

the average employee will be rewarded by advancement within his grade for efficiency and continuity of service.

Mr. KILBURN. What is the present average?

Mr. YOUNG. It is slightly below a one-step above the entrance rates.

The CHAIRMAN. When you are talking about averages you are talking about the average in the grades and not the average in dollars and cents.

Mrs. ROGERS. Doesn't your plan continue a provision for administrative discretion?

Mr. YOUNG. Yes; that is right. We have recommended the provision for administrative discretion in meritorious cases, and in those cases we would permit larger advances than in other cases.

Mrs. ROGERS. And that would undoubtedly encourage discrimination.

Mr. YOUNG. We have to recognize that any provision for discretion opens the way for discrimination, but if we bar the way to discretion we unintentionally probably discriminate against some capable person or group who should have more recognition than others.

Mrs. ROGERS. Do you feel that this proposal would actually increase efficiency?

Mr. YOUNG. Yes. Efficiency should be increased by the basic framework for periodic promotions and a means of further recognizing really outstanding employees should give an added incentive to efficient work.

Mr. BECKWORTH. Do you feel that any department or agency is remiss in not promoting those in the lower brackets?

Mr. YOUNG. I hesitate to speak about that. We have detailed figures in the report that will show the length of time employees have been on the rolls without salary advancements. We have attempted to look at this whole problem constructively and from the viewpoint of the service as a whole. I am reluctant to single out any department or agency as being remiss.

Mr. BECKWORTH. I think this committee ought to know it, because the committee is trying to help those in the civil service.

Mr. MILLS. You are putting him on the spot by asking him that question.

The CHAIRMAN. Do you think the gentleman should be put in a position of criticizing an individual department?

Mr. BECKWORTH. Is it the intention of the chairman to bring in department heads and learn why they have failed to promote people time and time again, or has any decision about that been reached? Will that be developed? It seems to me that it is important to show why these people have not been advanced as they should have been. Somebody in the Bureau of the Budget has learned that there has been a failure along that line; and I should like to know all about that failure.

The CHAIRMAN. If any member of the committee has a particular department in mind in that connection, we shall be glad to invite the head of it to come before the committee.

Mr. BECKWORTH. That has happened in many rather than in isolated cases. Otherwise the whole bill is not justified. That failure has existed in several departments, would you say?

Mr. YOUNG. It is perfectly obvious from our reports that there are widespread differences between departments and agencies. The reason for those differences may be various and numerous.

Mr. BECKWORTH. If the committee does not know the reasons, I do not know how it can correct the evil results.

Mr. YOUNG. I think I can point out some obvious reasons without naming anybody. Some of the causes of inequities arise first from the differences in the provisions of funds for the purpose of increasing salaries. I refer again to the contrast between an agency financed by a large lump-sum appropriation, in which case the agency has an opportunity for making savings and using those savings for the purpose of making promotions. That is a different condition than exists in a small office, which has a salary limitation upon the amount to be expended for personal services in the District of Columbia. In the latter kind of agency there is little or no opportunity to make savings and thereby to grant promotions.

Again, the attitude of administrative officers in departments and agencies varies in their approach to the salary advancement question. In some departments and agencies there is a highly conservative attitude and little effort is made to advance employees or to obtain money for that purpose. In other agencies there is a liberal attitude toward salary advancements, and in those agencies strong efforts are made before Congress and the Bureau of the Budget to get funds for the purpose of increasing salaries.

The Bureau of the Budget and the Congress have been inconsistent in the past in handling the salary advancement program. The whole situation stems from the lack of any consistent and uniform approach to the problem that is applicable to the whole service.

The CHAIRMAN. And also to a lack of policy determined by the Congress, is not that true?

Mr. YOUNG. Yes.

Mr. COFFEE. How does this plan dovetail with the plans of the States having compulsory civil service? Is this somewhat like the plan in the State of New York?

Mr. YOUNG. I'm sorry, I do not know.

The CHAIRMAN. I am not familiar with the New York plan. This plan has some of the aspects of the Post Office Department plan of advancement of its employees. The Post Office Department has an automatic salary advancement plan up to certain points. This plan would not provide automatic promotions in that regard, but it would be automatic for certain salary groups.

Mr. COFFEE. Have you left out any group, such as the customs employees?

The CHAIRMAN. They are not affected by this bill.

Mr. COFFEE. Is there any particular reason why they are not?

The CHAIRMEN. Their salaries are paid under a different system. We shall hear from a representative of the customs employees in due time.

Mr. MILLS. On the questions I have heard this morning there seems to be a consensus that there should be a uniform method of handling this matter of promotions. What seems to be bothering the committee, as I sense the situation, is the probable increased cost to the Government. I believe the gentleman should tell us how this bill, if it should become a law, will eventually be self-supporting.

Mr. YOUNG. As indicated earlier in this discussion, lapses are savings that arise through separations of employees or through the promotion of employees from one grade or position to a higher grade or

position. They also result from resignations, retirements, deaths, and other separations. Those savings will increase each year again as the average of salary paid to employees in each grade increases. As that average goes up we will have more employees leaving the service from salary ranges near the top grade and the amount of saving resulting from such a turn-over will be greater. That is the explanation of the increase from year to year in the amount anticipated that we will realize from lapses. As the plan begins to level off in 8 or 10 years the amount of those savings, through terminations and promotions, will bear the cost of granting increases to all employees who become eligible under the plan.

Mr. MILLS. Do you mean to say that the increased promotions will result in such increased efficiency that they will lessen the number of employees in certain cases?

Mr. YOUNG. There may be no lessening of the number of employees. Suppose we have an employee in grade CAF-5, which has a range between \$2,000 and \$2,600, and that employee has been in grade 5 for a number of years and over a period of time has been advanced \$100 a step until he is receiving \$2,400 a year. Suppose that employee is retired, dies, or resigns. That would create a vacancy in CAF-5 which would be filled by an original appointment at the entrance rate. If some employee should be advanced to grade 5 to fill that vacancy, there would still be a vacancy down the line somewhere. For instance, an employee may go from grade 4 to grade 5, and there would be a saving on that account. The saving occurs somewhere along the line, because somebody has to start at the initial salary. Those lapses or savings that result from a normal turn-over will make it possible for this plan to be self-supporting. We are assuming for the purpose of cost estimates that there will be no change whatsoever in the number of employees covered by the plan.

Mr. STRATTON. If you have all these estimates for the 10 years based upon certain figures, and you include a new category in your classified civil service, what effect would that have on your estimates? Would that not tend to throw you off?

Mr. YOUNG. As indicated in the Director's statement, these estimates may be thought of from the standpoint of a bench mark. We have evolved a plan that would cover the number in the service in June 1939. Any change in coverage will have a change on the cost, obviously. The cost is significant in relation to the total pay roll rather than in absolute terms of so much money. If the number of employees covered by the plan is increased so that the pay roll goes up from \$600,000,000 to \$700,000,000, we would anticipate a corresponding increase in the cost of the operation of this character of plan.

Mr. GEHRMANN. In your estimates have you taken into consideration the number of employees that would come into the classified service under the so-called Ramspeck bill; and what is their average salary, they not being under civil service? I believe there are about 200,000 of those.

Mr. YOUNG. We have no accurate estimates of the average salary of those employees. Our impression is that employees in those grades now outside the Classification Act, when they are brought under the classification, will in most instances be at the entrance rates of the grades.

Mr. GEHRMANN. The average of those who will be made eligible under the Ramspeck bill will about equal the present classification salaries; will they not?

Mr. YOUNG. I do not have immediately available an answer to that question.

Mr. GEHRMANN. There are many who feel that those outside civil service, who received their appointments as matters of patronage, are better paid than those under civil service.

Mr. YOUNG. However, in numerous instances, particularly in the field, employees in the so-called Executive-order grades are receiving less than similar employees receive as entrance salaries under the Classification Act.

Mr. FELLOWS. My civil-service background is zero, and I want to ask a question or two simply for my own enlightenment. Do you feel that these recommendations of the Bureau of the Budget will improve the present set-up?

Mr. YOUNG. Yes; very distinctly.

Mr. FELLOWS. If I understood the chairman correctly, he asked you whether or not under the old plan the head of a department did not have a certain amount of money to do with insofar as salaries were concerned just about as he saw fit. I think he asked you that and you said with two qualifications he could do that, one qualification being that the man at the head should exercise judicial discretion with reference to salary increases, and he should meet the average provision of law; is that correct?

Mr. YOUNG. The two qualifications under existing legislation are those referring to the average provision and to the efficiency-rating system. Under the present system, no employee is eligible for promotion unless he has a rating of "good" or better.

Mr. FELLOWS. Who rates the employees?

Mr. YOUNG. They are rated by their supervisors and the ratings are reviewed by executive officers.

Mr. FELLOWS. There is discretion exercised somewhere along the line.

Mr. YOUNG. Yes.

Mr. FELLOWS. That is one of the real evils in that system.

Mr. YOUNG. I am not sure that I would designate it as an evil.

Mr. FELLOWS. But you hope to get away from it; do you not?

Mr. YOUNG. We are not eliminating the efficiency-rating factor at all.

Mr. FELLOWS. You have a semiautomatic promotion plan in this bill and it contains a discretionary feature. The same element is in this plan as you say is in all other plans, as I understand.

Mr. YOUNG. Yes. To whatever extent there exists an opportunity for discrimination in efficiency ratings, that same opportunity will exist under this plan. As I have indicated, we feel that there should not be a relaxation of effort to improve the efficiency-rating system and to eliminate discrimination. However, we are not ready to suggest that the factor of efficiency should not be an important one in determining eligibility for advancement.

Mr. FELLOWS. I was trying to get the distinction between the old and the new plan so far as administrative discretion is concerned.

Mr. GEHRMANN. Is it possible under this proposal to continue to use the money allocated to certain departments for promotion in such a way that those in the higher brackets will get the money, or must they under this plan take a certain number in the lower brackets and promote them. I refer to those in the lower brackets who receive about \$120 each a month. Must those in the lower brackets receive consideration upon a percentage basis in relation to those in the higher brackets when it comes to the matter of making promotions?

Mr. YOUNG. The intention is that the periodic increases under this plan shall be a right to the employees, and when an employee satisfies the conditions set forth in the plan, the head of the department or the agency where he is employed is obligated to make the increase.

The CHAIRMAN. There is a limitation in the plan on the higher grades, those above \$3,200 a year, and they can receive only one increase in 30 months.

Mr. YOUNG. Yes; that is true.

Mrs. ROGERS. Do you feel that the Committee on Appropriations will approve this plan; have you discussed this recommended plan with that committee?

Mr. YOUNG. I am sorry that I personally cannot give any indication as to the attitude of that committee in connection with these recommendations.

The CHAIRMAN. With reference to that, Mrs. Rogers, I am glad to advise the committee that I invited the chairman of the Committee on Appropriations and the chairman of each subcommittee of that committee to participate in these hearings either by testifying or sitting in and advising with this committee, on the theory that there is no advantage in passing any legislation that the Committee on Appropriations does not feel is wise and sound. My information leads me to believe that if we follow approximately the recommendations of the Bureau of the Budget, we will meet the approval of the Committee on Appropriations.

Mr. YOUNG. May I say another word about the timeliness of this proposal?

The CHAIRMAN. Certainly.

Mr. YOUNG. You will no doubt hear from representatives of employee groups, departments, and others in protest against the existing provision for the current fiscal year.

The existing condition is not, in our judgment, at all satisfactory. It is better than it was, though. There has been an attempt to effect uniformity this year, but it is a strait jacket. We would be unwilling to see a return in the next fiscal year to a complete absence of any uniformity on this subject. There seems, therefore, three alternatives: First, in the absence of any legislation either as an amendment to the Classification Act or in the form of appropriation legislation, the control on salary advancements will revert to the situation existing prior to this year. Second, a policy that will establish something definite for the Federal Government in connection with this question. That we regard as by all odds the most desirable course of action, if the Congress concurs in that viewpoint. Third, there is a possibility of a continuation of some kind of a temporary expedient, which, of course, if the Committee on Appropriations saw fit, could be introduced through appropriation language.

We hope very much that it will be feasible for this bill to be considered and for the Congress to determine a definite plan and formula for the guidance of the executive branch of the Government.

The CHAIRMAN. We thank you very much for your interesting statement, Mr. Young.

STATEMENT OF ISMAR BARUCH, CHIEF OF THE PERSONNEL CLASSIFICATION DIVISION, UNITED STATES CIVIL SERVICE COMMISSION

The CHAIRMAN. Let us hear Mr. Ismar Baruch, Chief of the Personnel Classification Division of the Civil Service Commission.

Mr. BARUCH. Mr. Chairman and members of the committee, the Civil Service Commission favors the bill proposed by the Bureau of the Budget because it is an essential supplement to the original Classification Act passed in 1923 which has been in operation in the Federal service in the departmental branches here in the District of Columbia ever since July 1, 1924.

One of the best ways of realizing what H. R. 1073 proposes, and its connection with the original Classification Act, is to think of salary administration, the function of determining the salaries of Government employees, as being composed of two parts: First, determining that the job is worth in terms of duties, responsibilities, and tasks, even though it is a vacancy, irrespective of who may be on the job, in short, what is the value of that work to the Government; second, determining the specific salary at any given time of the employee in the position. We must not only know what his position is worth on account of its duties and responsibilities, but we want to know how well he is doing his work, so that we may make a difference between the specific rate of pay for an employee on a given job who is just barely satisfactory and the rates of pay for others doing the same kind of work who are good, very good, or excellent employees, or who may be rendering exceptionally meritorious service.

Salary administration thus requires, first, a job analysis and, second, an estimate of an employee's performance on that job. The Classification Act of 1923 has both of these features in mind. It establishes first of all a classification system vesting in the Civil Service Commission the power to analyze duties and responsibilities of positions in the departmental service here in Washington, and to make final decisions as to classes and grades into which the individual positions should fall.

Each grade may be thought of as a level of difficulty and responsibility; each grade has associated with it, by act of Congress, a specific range of pay, or a series of rates of pay. For example, the kind of work which we would classify as junior stenographer is in a grade which has been spoken of here as CAF-2, having a salary range from \$1,440 to \$1,800 a year. Salary advancement steps are provided within this grade of \$60 a year.

Then the question arises, if you have, say, 500 employees doing the same kind of work which is worth between \$1,440 and \$1,800 a year, how do the individuals stand within that range? At what time should the salary of an employee be increased within this range, under what circumstances and conditions?

The Classification Act said in section 7 that increases in compensation within the grade ranges shall be allowed upon the attainment and

maintenance of an appropriate efficiency rating, but it went on to say that no increase should be granted unless funds be available for that purpose. Then the average provision of the appropriation acts stepped in and said that the salaries of employees could not be increased under certain circumstances.

The CHAIRMAN. Explain the effect of the average provision. Some members of the committee, I apprehend, do not understand it.

Mr. BARUCH. May I come to that in just a moment. "Shall" has been interpreted as not mandatory in connection with these salary increases. Thus they are not absolutely compelled by the terms of the law, but are discretionary in view of other conditions attached to the word "shall."

An administrative officer then faces this condition: We may have classified 100 positions of junior stenographer and he may have 100 employees in that classification, all of whom entered the service from the outside at \$1,440 a year, which is the minimum rate of pay for that classification determined by the Classification Act. The administrator has to take into consideration several things. The first thing that enters into the picture is whether or not there are available funds to reward any deserving employees by salary increases. Second, there is the appraisal of the performance of each stenographer, which is a function of the supervisors. Stenographers having a good or better efficiency rating are the only ones that may get salary increases. Third, there is the question whether any increase would violate the terms of the average provision that has appeared in every appropriation act since those for the fiscal year 1925.

The terminology of the average provision looks complex. I have always thought of it like this: I keep in mind a single bureau, office, or some appropriation unit or activity which has a lump-sum appropriation. The average provision then says that within this organization or appropriation unit, we shall compute the average salary of all employees in a given grade. The general rule of the average provision is that this average salary cannot exceed the mathematical average of the rates of pay for that grade as given in the Classification Act. In other words, the actual salary average should not exceed the rate average.

Take our group of junior stenographers. We compute their average salary. Because of certain saving clauses in the average provision, the average salary works out to be, say, \$1,640 or above \$1,620, which is the mathematical average of all rates of pay in that grade. If that be the situation, not one of those junior stenographers may receive an increase. On the other hand, if the average pay of the group is \$1,610, which is lower than the mathematical average for that group the administrative officer will comply with the average provision if he increases salaries until the average salary reaches \$1,620 and then he must stop.

There are further considerations in connection with this sort of proposition. Assuming that an administrative officer has some money for salary advances but not enough to reward all that are entitled to them. More than half of the employees in a grade may have very good or excellent ratings, and he would like to reward all of them, but he cannot do it because he has not the money. In such a case there is an opportunity for the exercise of administrative discretion, and it is a hard duty. The services of many may be equal, which would

entitle them all to the same reward, but the situation is purely accidental and he can reward only, say, three out of nine who are eligible.

That, briefly, is a description of the situation we have at present.

There is a control by the average provision inserted in appropriation acts; there is a control by the terms of the efficiency rating system established under section 9 of the original Classification Act; there is a control due to the fact that salary advances must be made within existing funds, but funds differ according to different units and bureaus. There is a wide opportunity for discretion where the amount of money available does not cover the number of employees who are eligible for salary advancement.

Therefore the Commission thinks that the original Classification Act, passed March 4, 1923, the terms of which may be extended outside of Washington by the provisions of the Ramspect Act of November 26, 1940, reported on favorably by this committee, contemplated a definite salary advancement plan; and to enact a bill like the one proposed by the Bureau of the Budget would but supplement the Classification Act in accordance with the original intent of the Congress many years ago, which intent has not worked out.

The CHAIRMAN. The average clause to which you have referred is not a part of the Classification Act, but is a device originated by the Committee on Appropriations some years ago.

Mr. BARUCH. Yes, sir. I think I remember how that started. It seems a little curious when we look back at it. You will find the original explanation of it in the Congressional Record of January 10, 1924, I believe, when the appropriation bills for the fiscal year 1925 were being considered. Mr. Madden, then chairman of the House Committee on Appropriations, explained first of all that the committee would recommend appropriations thereafter on a lump-sum basis instead of on a statutory or line-item basis and that the change was safeguarded by the Classification Act. He then continued by saying that the committee had a proposal or provision to add to each appropriation act which would prevent administrative officers from raising all employees to the top of their respective grades, except a variable percentage affected by turn-over. Since there was not, in the opinion of the Appropriations Committee, a sufficient control against raising employees to the top of their grades, the Appropriation Committee proposed an additional control to be assured in general that the average of the salaries in a given grade would not be above the average of the rates of pay specified for that grade in the Classification Act.

As Mr. Young has pointed out, after 16 years of operation the average of salary in the grades is for the most part a little below the first step in a grade. In other words, the average salary of the employees in a given grade, as a rule, has not come anywhere near the average rate of pay specified in the Classification Act itself for that grade. Employees originally had a right to expect salary advancements, but the higher rates of pay within the ranges have not on the whole been utilized according to the original intent.

Mr. McMILLAN. Is there anything in the present law to keep administrative officers from raising their own salaries at the expense of those in the lower grades?

Mr. BARUCH. If there is compliance with the average provision, and money is available, there is not anything in the law which even indicates to an administrative officer that he should choose a group

in the lower brackets for first consideration. It all depends upon the judgment and viewpoint of the administrator, when the money is not sufficient to reward everybody.

There have been instances, but relatively few, I believe, where there have been increases in salaries for those in the higher grades and a simultaneous failure to consider the deserving employees in the lower brackets. This plan of the Bureau of the Budget will help to cure that condition, it seems to me.

The CHAIRMAN. Is it fair to assume that the purpose of the Bureau of the Budget's recommendation is in line with the purpose of the average clause, and at the same time it will remove some of the discriminations that are a result of the average clause?

Mr. BARUCH. I think that is a fair statement. The Bureau of the Budget bill has an advantage over the average clause provision, which is based on a statistical conception, while the Bureau of the Budget plan is based on an administrative or personnel conception.

In certain instances the average clause may not be a hindrance to proper salary advancements. For instance, in a bureau with a large turn-over, where new employees are coming in at entrance salaries, that lowers the average pay in the grades affected. In another agency where there is very little turn-over and where there is an appropriation unit with as few as 8 or 10 employees in a grade where the average is exceeded, nothing can be done to raise their salaries unless somebody dies, transfers, or resigns, and he is at one of the top salaries in the grade.

The average provision was intended as a uniform application of a statistical formula, but like most statistical formulas it does not operate uniformly as an administrative tool in view of the fact that conditions vary too much throughout the various departments.

The CHAIRMAN. The Civil Service Commission favors the enactment of H. R. 1073, does it not?

Mr. BARUCH. That is right.

The CHAIRMAN. Would you care to say anything about the other bills we have under consideration that would amend the Classification Act; for instance, the Randolph bill which would establish a system of automatic salary increases within the Federal service?

Mr. BARUCH. There are a good many bills that have been introduced proposing to amend the Classification Act. Of course a proposal for a strictly automatic salary increase plan means that an employee who serves with minimum degree of satisfactory performance for a given length of time thereby has a legal claim against the United States for an increase of pay. If such a proposal should be enacted, it would repeal to some extent section 9 of the Classification Act requiring the establishment and administration of a service-rating system. Such a system helps the supervisor to keep track of how well employees are performing their duties and to use the results to provide incentive.

Most of us have in mind the fact that the Postal Service, which is one of the largest groups of employees, has an automatic salary-increase plan. But there are conditions in the Postal Service which may justify an automatic salary-increase plan for that Service which would not be justified for the Government service as a whole. In the Postal Service the number and kinds of position above the grade of postal clerk are limited. A special clerk gets \$2,200 or \$2,300 a year;

and when one reaches for a supervisory position he is approaching the rapidly narrowing top of the pyramid and finds the promotion opportunities gradually disappearing. There is very little opportunity for transfer from a post office in one city to another post office in another city. However, in the remainder of the Federal service there is much greater opportunity for line promotions and for transfer than in the Postal Service itself. As I have said, perhaps automatic salary increases are justified in the Postal Service while they may not be justifiable in the remainder of the Government.

The CHAIRMAN. Mr. Beckworth has asked what jurisdiction the Civil Service Commission has in connection with the Classification Act?

Mr. BARUCH. In connection with salary advancements within grades we derive no jurisdiction from the Classification Act beyond the fact that the Commission is responsible for the establishment of the efficiency rating system which sets up the criteria that would make an employee eligible for advancement to the middle rate or beyond it. The law also provides that salary decreases must be made in certain instances with the approval of the Commission. That is covered by section 9 of the Classification Act.

When an employee receives a performance rating of fair and he is already receiving a higher rate than the middle of the grade, he must be reduced. In that case the regulation of the Commission, pursuant to law, says that the employee must be reduced one salary step, after the Commission has investigated the circumstances and is convinced that the service rating system has been properly applied.

Another situation, and one that is worse, is where the employee receives an unsatisfactory rating. In that case the employee must be demoted to a position of lower classification and simpler duties, or if such a position is not available to him, he has to be dismissed. In that case also the Commission is charged with giving approval to the procedure by which the service rating was determined. In efficiency-rating appeal cases the Commission will, of course, have a new responsibility of a broad nature under section 7 of the Ramspeck Act of November 26, 1940.

Mr. BECKWORTH. Apparently some of these departments have been failing to promote persons that are really deserving of promotions. Otherwise we would not have a bill like the one before us. Do you know any particular provision of this bill that would definitely cause an administrator to have to give justice to his employees, any part of it that is rigid enough so that an administrator would not have some means of evading his responsibility?

Mr. BARUCH. The terminology of this bill establishes a legal right on the part of the employee to a salary advancement if he meets the conditions set forth in the bill.

Mr. BECKWORTH. So that it would be somewhat up to the employee to insist that he get justice.

Mr. BARUCH. Yes, sir. Just as the employee has certain rights under the Classification Act. If we classify a position as junior stenographer and the Department does not pay the employee accordingly, the employee may file a claim with the General Accounting Office and get pay that is in accordance with the classification.

Mr. BECKWORTH. Do you know any department that has had money available and yet has failed to increase salaries where the employees' work warranted it?

Mr. BARUCH. I could not identify any organization of that kind, but there must have been some such instances.

Mr. BECKWORTH. Have there not been a great many of them?

Mr. BARUCH. I do not know.

Mr. MILLS. If I may speak up right now, I will say that I know an employee working for the Post Office Department who has been at the same salary for 20 years.

The CHAIRMAN. That is a different proposition. That matter is not covered by this bill.

Mr. MILLS. That employee has not received an increase in salary during the last 20 years.

Mr. BECKWORTH. Most agencies of the Government will raise their employees to the extent they have money, although they may not do it equitably, I believe.

Mr. BARUCH. I would think that it is the natural inclination of most administrators to do what they could.

Mr. BECKWORTH. Are there exceptions you know about?

Mr. BARUCH. I can think of none.

Mr. BECKWORTH. Generally speaking, would you say that most of the administrators in the Government have increased the salaries of employees to the extent they have had money to do so?

Mr. BARUCH. I do not know. We have not made a survey of that; and all I know is what I read in the newspapers and in the Congressional Record.

The CHAIRMAN. We can get some evidence of that from the employee organizations.

I think it is true that in some instances the departments have turned back to the Treasury money that could have been used for promotions. I do not know how general that practice has been.

Mr. BECKWORTH. The bill was formulated on the basis of a 1939 status as regards the number of Federal employees. How many additional employees will have to be taken into consideration as the result of the passage of the Ramspeck bill?

Mr. BARUCH. H. R. 1073 will eventually cover all those that were estimated last year as coming under title II of the Ramspeck Act. The 304,000 figure refers to the coverage of H. R. 1073 as it would have been in June 1939, and the 340,000 or 350,000 figure mentioned by Mr. Young is the coverage as it would have been in June 1940. These figures include those subject to title II of the Ramspeck Act, paid according to the annual rates of the Classification Act.

Mr. BECKWORTH. So that the estimates made have considered those who are to be brought into the service under the provisions of the Ramspeck Act?

Mr. BARUCH. Yes, sir; under title II, nearly all of them, taking the situation as of 1939 and 1940. The coverage will be increased in the future, of course, and, as Mr. Smith indicated, this will bring about a corresponding increase in cost over the basic estimate.

Mr. STRATTON. Do you feel that under certain conditions now the pay scale is wrong and should be corrected; that certain types of work might be rated too high?

Mr. BARUCH. The question was raised a little while ago about the general level of pay under the Classification Act. It is almost impossible to discuss the level of pay of the Classification Act except by mentioning different occupations, which are paid at different levels.

For example, the Commission made a report to this committee on H. R. 626, which is one of Mr. Randolph's bills and which proposed to raise the pay scale for certain services. We said in that report that there should be a complete reconstruction of the pay scales for the Custodial Service. To some extent the pay scales in that service cover the mechanical trades, and they are much lower than are rates for the same crafts in other branches of the service in Washington.

Mr. BECKWORTH. Do you anticipate seeking to ascertain which departments have been afflicting these injustices; and, if so, from whom are you going to get information? I am interested in finding where the inequities exist and to what extent they exist. If we do not know exactly what has happened unfairly, how can we correct the conditions.

Mr. MILLS. On the Senate side, as I remember, a subcommittee of the Senate Committee on Civil Service made an investigation of the various departments and found that the departments had failed to carry out the provisions of the Reclassification Act. There is a great deal of information on that.

Mr. BECKWORTH. Does that information list the various departments?

Mr. MILLS. I do not know.

Mr. BECKWORTH. What are they?

Mr. MILLS. I do not know.

Mr. BECKWORTH. Can we get that information?

The CHAIRMAN. I do not know, unless somebody should make the charge here that some particular department has been guilty. We know there has been general dissatisfaction with the operation of the salary advancement feature for a period of years. I do not know that you could charge that to anybody particularly as being done maliciously or intentionally. I do not think the departments have had enough money to promote all who deserved promotion, and there have been some reasons to believe that perhaps some of the employees have not received proper consideration. I do not believe we could charge this procedure against any particular department; I do not believe it could be said anybody has done this maliciously or intentionally.

Mr. BECKWORTH. I wish to learn where this has happened and what it has been.

The CHAIRMAN. Having insufficient funds, supervisors are inclined to give the available money by way of increases to those who have been fortunate enough to come in immediate contact with them, no doubt. Many who have not had a chance to form personal contacts with their personnel supervisors may have thereby been overlooked, and naturally they feel that an injustice has been visited upon them.

Mr. BECKWORTH. This seems to be an appropriate question and I may hope that we may learn what these injustices really are and where they have taken place.

The CHAIRMAN. Inasmuch as the House has convened, it will be necessary for the committee to adjourn, to meet tomorrow morning at 10 o'clock.

(Thereupon at 12:10 p. m., Tuesday, March 11, 1941, the committee adjourned, to meet at 10 a. m., Wednesday, March 12, 1941.)



UNIFORM SALARY INCREASES

WEDNESDAY, MARCH 12, 1941

COMMITTEE ON THE CIVIL SERVICE,
HOUSE OF REPRESENTATIVES,
Washington, D. C.

The committee this day met at 10:10 a. m., Hon. Robert Ramspeck, chairman, presiding, for further consideration of H. R. 1073, and other bills.

STATEMENT OF HON. JOHN D. DINGELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

The CHAIRMAN. Mr. Dingell wishes to make a statement first, and we will hear him at this time. We are glad to have our colleague with us.

Mr. DINGELL. I am not going to take up very much time as I have a witness who is to appear before my own committee. Doubtless he will be waiting to be cross-examined.

I want to declare myself in support of H. R. 1073, I believe that is the number, Mr. Chairman.

The CHAIRMAN. That is the bill that the Bureau of the Budget suggests and which I introduced. We have two or three other bills proposing amendments to the Reclassification Act.

Mr. DINGELL. I go unhesitatingly along with the proposal before the committee very largely on faith, my faith in the chairman of your committee, whom I have followed in many of his far-reaching proposals to aid Federal employees generally, and, further, my faith in the membership of this committee, who are of the same high type.

In connection with spreading the base, so to speak, of this bill, I suggest that amendments be included to provide protection and the beneficial provisions of this bill to verifiers, guards, examiners, inspectors, and station inspectors, with—

The CHAIRMAN. You are talking about the Customs Service now, are you not?

Mr. DINGELL. Yes; particularly.

We in Detroit, and I presume others in the different localities have the same problem.

I do not want to dwell at length upon the features of the bill; I only want to say that I am very anxious that a bill as broad and as generous as is practicable be reported out of your committee at the earliest possible date so that we may have a chance in the House to pass upon it.

I think that under the able leadership of the chairman of this committee you may be able to effect favorable action by the Congress.

I am not satisfied as a general rule with bills that are sometimes

brought up, but we have learned to know after 8 or 10 years here on the "Hill" that all legislation is a matter of compromise, and we have to make our gains by degrees, progressively.

With these few remarks, Mr. Chairman, I am asking to be excused, because I have an imperative engagement before my own committee, unless anybody desires to ask me questions.

The CHAIRMAN (after a pause). There do not seem to be any questions.

We are delighted to have you appear before the committee, Mr. Dingell; and we assure you that your suggestions will be very carefully considered.

STATEMENT OF HON. MARTIN L. SWEENEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

The CHAIRMAN. Let us next hear Representative Sweeney, of Ohio. We are delighted to have you with us this morning, Mr. Sweeney.

Mr. SWEENEY. I thank you.

I may be premature in my presentation. The customs workers have interested me for some time in their struggle to get automatic promotions. Some years ago I appeared before the Committee on Ways and Means with Mr. McCormack, now our majority leader, and Mr. Dingell in an effort to secure a correction intended by the Bacharach Act which was passed some years ago. The Treasury Department did not make the automatic promotions for which the law called, as it was understood. Many of the customs employees were being underpaid, especially the verifiers, the openers, the checkers, the inspectors, the station inspectors, and others.

It is my understanding that the matter can be adjusted in the Ramspeck bill, H. R. 1073, now before the committee, and that at an opportune time Mr. George Connell, national president of the National Customs Service Employees' Association, will appear before your committee and explain the mechanics of the amendment. I am satisfied that you will give him intelligent consideration when he speaks in behalf of his group of worthy Government employees. The employees of the Customs Service are a neglected group. In industry we have the automatic promotions and we have them also in the Post Office Department, where they work with uniform satisfaction. It does not seem to click in this Bureau of Customs, whose employees fill very responsible positions in meeting the public generally. They guard our revenues against all kinds of frauds. Because of their responsibilities and the efficient manner in which they carry out their onerous and important duties they are especially worthy of careful attention and consideration. I know you will give to this worthy group the same careful attention that you have given to other groups, when Mr. Connell appears.

I have nothing further to offer.

The CHAIRMAN. We thank you for appearing before the committee and we will keep in mind what you have told us.

**STATEMENT OF LUTHER C. STEWARD, PRESIDENT, NATIONAL
FEDERATION OF FEDERAL EMPLOYEES**

The CHAIRMAN. The next witness is Mr. Luther C. Steward, president of the National Federation of Federal Employees.

Mr. STEWARD. Mr. Chairman and members of the committee, there are several things remaining to be done before the fixing and adjustment of compensation of the general departmental and field service employees is operating under an efficient system.

Nevertheless H. R. 1073, a bill now under consideration by your committee, marks an important step in the development of proper personnel practices in the Federal service, as it is carrying out the original intent of the Classification Act of 1923.

This whole subject of compensation fixing and control of compensation of civilian employees of the Federal Government has developed over the years and become increasingly complex.

In the early days when functions of government were limited and employees were few, it was said of President Jefferson that he knew every Federal official and employee in the city of Washington.

There was not, however, any measuring rod for the determination of the value of positions or any means felt necessary for securing standardization, therefore as early as 1817 such an incongruity had crept into the Federal service as the collector of customs at New Orleans being paid at a higher rate than any other official in the Federal establishment.

By 1854 the attention of Congress had been attracted to the fact that some salary grading was necessary and, by act of Congress, in that year four clerical grades were established, clerk in grade 1 at \$1,200 a year; clerk in grade 2 at \$1,400 a year; clerk in grade 3 at \$1,600 a year; and clerk in grade 4 at \$1,800 a year.

With the dawn of the twentieth century, in pursuance of constant demands by the people of this country for Government intervention in various human activities, the Government rapidly expanded and entered new fields with a consequent great increase in personnel.

In 1905 President Roosevelt appointed a committee composed of departmental officials under the chairmanship of Assistant Secretary of the Treasury Keop to look into the inadequacy of Federal compensation and the possibility of securing some standardization and uniformity in that field. Nothing by way of legislation or administrative action resulted from that committee's work.

In 1912 President Taft appointed an economy and efficiency commission to go into the whole subject of compensation and to related personnel matters. Substantial reports were made resulting, however, in no legislative action.

A legislative rider attached to an appropriation bill in Congress in 1916 authorized the Bureau of Efficiency to regrade salaries in the departmental and field services. That Bureau, after collecting many questionnaires and conducting extensive inquiries in outside business with a view to securing a basis for comparison of pay rates, abandoned the job.

The reason was that no standardization for comparison could be satisfactory without specifications or job analyses. The mere fixing of pay rates accomplished nothing by itself.

As early as 1917 the National Federation of Federal Employees appeared before committees in Congress asking for a classification to be based upon duties performed.

In January 1919 Representative Byrns, of Tennessee, afterward Speaker of the House of Representatives, who was at that time chairman of a subcommittee of the House Committee on Appropriations agreed to attach to the legislative, executive, and judicial appropriation bill of that session a provision for the appointment of a joint congressional commission to survey Federal compensation rates and to go into the whole subject with a view to setting up some form of classification system. That item in the appropriation bill, however, went out on a point of order raised by Mr. Blanton, of Texas.

Mr. Byrns suggested I take the amendment over to the Senate side and he assured me that if the Senate would attach it to a bill he would try to hold it in conference.

I went over to the Senate and contacted Senator Smoot and Senator Underwood, key members of the Senate Appropriations Committee, and they agreed to attach such a provision, but thought the survey should be limited to the District of Columbia, where the largest group of Federal employees were located, adding that if this new experiment proved successful it would be a simple matter to extend it to the field service. It has taken 22 years and while the extension of the Classification Act to the field was authorized by the Ramspeck Act recently, an Executive order placing that classification into effect has not yet issued.

The congressional commission set up in the spring of 1919 was given a limited appropriation and laid the foundation for the present system of compensation classification in the Federal service.

After the congressional commission made its report the political control of Congress had changed. Both the House and the Senate passed from the control of the Democrats to the Republicans. Though there was nothing partisan in any system of compensation fixing, it was not the custom for one political party in Congress to take up the work of another political party and carry it to successful fruition.

That left the whole subject in a moribund state.

The National Federation of Federal Employees thereupon employed Mr. Robert Moses of New York and Dr. Morris Lambie, who were two of the earliest in this country to go into the question of fixing compensation of public employees on the basis of duties performed. They were employed to go over the work of the joint congressional commission and put it in such shape as would be necessary to introduce it in bills in Congress.

The then chairman of the House Committee on Civil Service, while agreeable to going ahead with the proposal, stated that during a recess of Congress he had no funds to do the necessary research work in connection with the matter. He was therefore authorized by our organization to go ahead and employ the necessary experts, and clerical force, such help as he might need, and the National Federation of Federal Employees would underwrite the expense, which it did.

As a result a bill was introduced in Congress in the fall of 1920, passed by the Congress in 1921, and after a stormy 12 months in the Senate it passed and became a law March 3, 1923.

The question arose yesterday as to rates of pay appearing in the different grades in the Classification Act. There is absolutely no

question as to the intent of the Classification Act to provide some system of salary advancements within grades. For no other reason were numerous rates placed in each grade. Had it been the intention of Congress to have these rates remain unchanged, until through some natural cause such as death, retirement, or dismissal, a vacancy would be created, they would have provided only one rate in each grade.

I make this statement having had to do with all the work incident to drafting and handling of the original classification bill from the time of its inception to the time of its enactment into law.

This new effort to attempt to fix compensation on the basis of a job analysis was so new that it was difficult to sell either to legislators or to administrators. The compensation conditions in the Federal service were chaotic in the extreme. There had developed over the years a dual system for payment of compensation. One system was strictly statutory, Congress in considering appropriation bills would make an itemization down to the last charwoman of every Federal employee to be paid from an appropriation, with the rate set forth, and that rate could not be changed except by congressional action, and nobody could be advanced except when there was a vacancy above him.

In addition to the strictly statutory positions, there was the unrestricted lump-sum appropriation whereby Congress in establishing a new agency of the Government authorized a lump sum for payment of personal services with no restriction attached to it. Frequently in the same department or bureau there would be a lump-sum appropriation from which personal services might be paid without restriction; there would be a restricted lump-sum appropriation; and there would be a strictly statutory appropriation. Three persons doing identically the same work in the same room in the same bureau might have a variation of hundreds of dollars and a tremendous percentage in the spread of their compensation due to the clumsy methods of appropriating.

It was the intention of the original Classification Act to base compensation upon the duty performed and do away with what had been another grave inequality, namely, a differential running against women employees. That differential existed against women from the time they were first employed up to the time I have in mind. Women doing the same work as men were not compensated upon the same basis at all. The Classification Act did away with that inequity and established the principle of equal pay for equal work regardless of sex.

When the original Classification Act was enacted it was not clearly understood, but was feared by many in Congress and outside of Congress that the Congress by legislative action had abdicated its control of compensating Federal employees. As a matter of fact it had ready to hand a better control than ever before, in that it was now possible when an estimate was received by the Committee on Appropriations to determine from properly descriptive titles just what personal service was required, and a reference to the Classification Act would determine in which salary range that compensation must fall.

In that way a definite check could be kept on all administrative agencies to see, first, what they were asking for and, second, to leave to Congress the determination whether that request would be granted, and, if so, to what extent, and, later, to check up and see whether the money had been expended for personal service as Congress intended.

Up to the enactment of the first Classification Act pay roll titles meant nothing. They bore no necessary relation to the duties performed. There was no necessary relation between the title and the compensation paid.

The original joint congressional classification commission in its surveys in the District of Columbia discovered that to fill a position which could be described as a senior file clerk 105 pay roll titles were involved. They found 105 pay-roll titles for persons performing that work. They discovered that for such a standard and uniform job such as a switchboard operator there were 24 different rates of pay by the Government in the District of Columbia.

It was to obviate these among other things, that the original Classification Act was placed on the statute books.

Now the fear and lack of understanding as to just what had been done in setting up these compensation rates was, among other factors, something that led to the imposition of the so-called average provision, which was described to the committee yesterday by Mr. Barueh.

The effect of this provision would, regardless of the amount of money Congress might appropriate, to a certain extent nullify the intent of the original enactment.

As a matter of fact, however, other things influenced the holding down of rates under the Classification Act. Presidential action for a number of years directing that departments hold back a portion of their appropriation and return it to the Treasury Department was in effect. There were then what were called the 2-percent, the 5-percent, and the 10-percent clubs; so that, regardless of the money appropriated the money was by Presidential direction withheld from use to increase salaries of employees allocated under the Classification Act or to give them administrative increases.

This went on until December 1930 when the President of the United States, in his Budget message submitted to the Congress, called attention in the following language to the situation as it then existed:

"Under the Classification Act of 1923, as amended, and the application of that act to the field services by adjusting their rates of pay to correspond with those defined for the departmental service in the District of Columbia, there has developed through the years rather a wide difference among the several departments and establishments as to the relationship which the average of the existing salaries bears to the average of the compensation rates provided by law for the various grades of positions. In some instances the pay rolls show that the average has been approximately attained; in others that the grades are at least one step below the average, and in many cases two or more steps below the average. With a view to commencing the adjustment of this situation the estimates contained in this Budget carry for promotion purposes for each activity approximately 30 percent of the amount required to bring all underaverage grades up to the average. This will materially lessen the difference which now obtains between the many pay rolls, and if the same principle is followed for the next 2 or 3 years will eliminate such difference. It is estimated that it will require approximately \$14,440,000 to bring all underaverage grades up to the average, and the estimates contained in this Budget provide for approximately 30 percent of this amount.

"While the percentage has been arbitrarily chosen and might be modified without affecting the purpose of eliminating discrepancies between and within

the departments and establishments, I believe any deviation from the general principle stated or any application of it to one department and not to another will defeat the purpose of providing 'equal compensation for equal work' which was the expressed intent of Congress in enacting the Classification Act of 1923.'

The Congress declined to take any action on the President's recommendation submitted on December 3, 1930, and on the contrary, provided that no increases should be made from appropriations made at that session of the Congress.

Shortly thereafter this was followed by legislation having for its object pay cuts, which were first inaugurated July 1, 1932, and continued until full pay was restored in 1935. Since 1935 there have been various attempts, due largely to the attitude and temperament of administrative officers, to secure funds from which administration increases might be made.

Neither the Bureau of the Budget nor the appropriating body has been consistent in its attitude toward money for this purpose. This will to a large extent account for cases where there has been no increase in compensation of employees with the exception of that derived from the Welch Act of 1928 or the Brookhart Act of 1930. Some of those employees have been without an increase for more than 10 years.

The necessity for doing something to take up this long-delayed lag in recognition of the classification principle of administrative increases without changing the work performed by an employee has been repeatedly urged by me upon subcommittees of the Committee on Appropriations, and Mr. Woodrum of Virginia, chairman of the subcommittee of the House Committee on Appropriations having to do with the independent offices, expressed interest and a determination to take some action in regard to the matter.

It was due to his initiative in the matter that the Bureau of the Budget conducted the survey the results of which were discussed yesterday by the Director of the Bureau of the Budget and a member of his staff.

The purpose of H. R. 1073 is strictly in accordance with the purpose of any duties classification. It is strictly conformable with our own Federal Classification Act. It does guarantee by its language that, with the meeting of certain standards by employees to be gaged through the method of service ratings, they shall as a matter of right receive certain increases at certain stated periods within certain limitations.

As to the question of fairness of the administration of efficiency ratings, the Ramspeck Act provides an additional very valuable safeguard in regard to this matter, in that efficiency ratings may under that act be appealed by aggrieved employees to a board upon which there will be not only a representative of the department but also a representative of the employee.

In this way, with the constant attempt to improve the system of service ratings, there can and will be without any undue restriction a constant slow but steady improvement in the compensation situation within the grades of employees within the purview of the Classification Act.

Something was said here yesterday as to how money could be expended in such quantities for such a purpose without a net outlay by the Government.

This is an extreme illustration: Between the top rate in C. A. F. service we have one position at \$9,000 and in grade 1 of that classification we have a minimum pay rate of \$1,260 a year. There are about 60 different pay rates. Assuming that a promotion system, the career system, were in operation, and this \$9,000 employee would pass from the scene, there would be a resultant salary advance all the way down the line and the ultimate appointment of a new employee at \$1,260 a year, which would result in 62 or 63 increases in pay and an actual saving to the Government, because any loss of time between the moving from one position to another making promotions would result in a slight saving, so that a large number of employees in the illustration I have given would have actually received increases in pay without any cost to the Government.

In consideration of the whole question of amendments to the Classification Act, there are several bills now before your committee, all of which have for their purpose amendments of the Classification Act as amended.

H. R. 626 provides for the establishment of a minimum rate of pay, \$1,200 a year and a certain revision in compensation rates of the classification bill, and it has much to commend it; but I believe we should view this entire subject realistically. My own experience, recited this morning, concerning the feeling of two of the most prominent leaders in Congress as to the ease with which a reclassification could be secured, yet there was a lapse of more than 20 years before that simple objective was attained, causes me to believe that where the Director of the Bureau of the Budget appears here advocating the enactment of legislation that will take up a very notorious piece of slack in the administration of the Classification Act, it indicates not only the importance, not only the fact that the condition must have been very bad, but it also indicates that it is a fortunate circumstance in which all who are interested in improving the classified service, with its constant benefits not only to employees but to all interested in orderly government, should do all we can to effect an early enactment of this bill into law.

I believe that legislative proposals to amend the classification act in other respects, important as they may be, should be taken up and considered separately, because to add them to H. R. 1073 would unquestionably arouse not only a certain amount of controversy, but also place in doubt whether support, even passive support could be secured for them as part of the President's financial policy, and in view of the tremendous importance of breathing life into this most important efficiency-creating, morale stimulant, I urge that these matters be handled separately and H. R. 1073 be considered and set forth on its way as a separate entity.

Of the other bills before the committee, may I allude briefly to H. R. 625, which is to establish a system of automatic salary increases within the Federal service? That contains, among other things, some principles that are wholly repugnant to a proper set-up for administering a classification system.

The rates within grades in the classification law and the intended use of advancements, as set forth in H. R. 1073, admits of a procedure so that an employee performing the same duty without change will receive, for continued satisfactory performance of that duty, additional sums by way of increments.

There must be a maximum fixed in each grade beyond which a job may not be paid, and therefore nobody, regardless of efficiency or length of service on that job may receive beyond that maximum.

H. R. 626 provides for an indefinite increment every 5 years above and beyond the maximum of the grade.

H. R. 626 also provides that not to exceed 10 percent of the employees of a department shall have increases withheld from them on the ground of inefficiency. Inefficiency is a question of fact which can be determined, and which under existing law can be reviewed impartially. Determining efficiency by law in a manner prescribed simply cannot be done. While efficiency-rating systems may be promulgated by the heads of departments, yet the Civil Service Commission has the authority to "review and revise existing systems of efficiency or service ratings," and that matter has no place in legislation.

H. R. 3306 has for its purpose the elimination of certain categories of employment from the Classification Act and provides a different system of compensation fixing. This opens a very interesting avenue which requires not only consideration but action. It is, however, within the realm of controversy in that employees who would be covered by the bill in question are not of themselves in agreement now as to what action should be taken in regard to them.

This is a subject which should receive careful attention, study, and survey, and a determination arrived at as to how to improve not only the rates of compensation but the methods of fixing and determining the compensation of categories referred to therein.

This bill should not be attached to H. R. 1073, because it could only serve to confuse and delay passage of that very important legislative proposal.

Finally may I say that it should be borne in mind that H. R. 1073 is an amendment of the Classification Act. The Classification Act sets forth in clear terms its scope and the positions and classes of positions that are without its purview.

With reference to the testimony earlier this morning from Representatives Sweeney and Dingell, I wish to remind you that the proposal was to extend the salary advancement features proposed in H. R. 1073 to categories of employees excluded from the Classification Act specifically in terms.

If it is desired to extend the salary advancement proposal of H. R. 1073 to such employees, it would necessitate that their present elimination from the act itself be made the subject of legislative action so that they can be included under the classification system.

To attempt to include them in a salary advancement plan, while at the same time they are specifically excluded from the operation of the Classification Act, would, of course, be a legislative anomaly and impossible of adoption.

In closing I desire to urge as strongly as possible an early favorable report on H. R. 1073 as a most important adjunct to our present preparation for national defense, because it will begin to remove, for the first time in many years the feeling of frustration, the feeling of discouragement that has beset employees who cannot, under the terms of the Classification Act, regardless of the original intent of the Congress, get anywhere by way of salary advancement, regardless of high efficiency in the discharge of duty.

MR. SHERIDAN. You made a statement in connection with lump-sum appropriations, coupled with other sorts of appropriations, that about three employees in the same department and the same bureau were doing the same work at three different remunerations.

MR. STEWARD. Yes.

MR. SHERIDAN. Can you give us a specific instance?

MR. STEWARD. I believe I can. We had that notably in the Department of Agriculture.

MR. SHERIDAN. Can you give me the name of a particular division?

MR. STEWARD. The Department of Agriculture was literally honey-combed with lump-sum restricted, lump-sum unrestricted, and statutory appropriations from which personnel was paid.

MR. SHERIDAN. You have told us that three men in the same bureau were doing the same work and yet each received a different compensation. Can you give us a specific example and name the departments where they worked?

MR. STEWARD. A reference to the Department of Agriculture would bring the information. It was an ordinary custom in the Department of Agriculture, in order to secure promotions, for employees on the statutory rolls to be transferred to lump-sum pay rolls. I imagine that that information may be obtained from Mr. Hendrickson's office or from any veteran official in the Agriculture Department, or it may be available from the Department's own files.

MR. SHERIDAN. You do not have any specific case available at the present time?

MR. STEWARD. Not before me. I can secure definite data about that for you if you want it.

MR. SHERIDAN. As I understand, you have said that the slack that has occurred since 1923 has inured to the disadvantage of the Government. How did that occur?

MR. STEWARD. Because during that period the Government lost a great many employees. When business improves on the outside it has occurred repeatedly in the past and may well occur again that the Government has lost large numbers of its most experienced and competent employees, because they could do better on the outside and they could not see any future in the Federal service.

MR. SHERIDAN. Have you any relative ratio of turn-over in connection with such employees?

MR. STEWARD. I have not.

MR. SHERIDAN. You predicate this statement largely upon general observation, no doubt.

MR. STEWARD. Yes; upon a large number of individual cases that I have personally observed. I might suggest that the Bureau of the Budget, having made this survey covering the very condition about which you have inquired, can give you figures on the turn-over in personnel.

MR. SHERIDAN. But you do not have any figures upon which you predicate your statement to which I have called attention?

MR. STEWARD. Not that I could offer with statistical accuracy. I have come in immediate contact with a great number of employees, but I would hesitate to offer that experience as statistically accurate, when the information is available, as I have suggested.

MR. SHERIDAN. Can you back up your statement with figures?

MR. STEWARD. The official figures will substantiate my statement.

Mr. MILLS. No doubt many administrators have done what they have done in connection with this matter because they did not have money or adequate money to do otherwise.

Mr. STEWARD. The absence of money, of course, has been the primary cause for a lack of administrative increases; but Presidential pressure for a number of years, the attitude of the Bureau of the Budget, the attitude toward the subject by committees of the Congress, all have not been consistent nor inclined to stimulate the administrators to asking for funds to increase salaries. All those things have been contributory factors toward holding back appropriations; and the various restrictions upon application of funds for such purpose have still further held them down.

Mrs. ROGERS. Which department, in your opinion, is most remiss in not promoting its employees in the lower brackets?

Mr. STEWARD. I would not want to indict any particular department or agency. I do not know of a single high administrative officer who has knowingly and intentionally held back advancement of any group of employees, especially those in the lower brackets; but there are many factors that enter into this matter. There is the failure to see the whole picture; inertia; preoccupation with other things, these are controlling factors. I would hesitate to stigmatize any department as being the greatest offender.

What is needed and what should be done by H. R. 1073 is something that will not depend upon individual administrators or will not fail because of individual inertia, but will vest a right in employees, which, as they meet certain requirements, will bring to them certain definite advancements; and without that, in spite of the best intentions, it is human nature to put aside for some rainy Saturday afternoon what we do not have to do immediately before us and neglect in passing the things that are not right before us, this oftentimes causing complete loss and permanent forgetfulness.

Mrs. ROGERS. If this H. R. 1073 should go into effect, the heads of the various departments and agencies would have to promote the employees accordingly.

Mr. STEWARD. Yes: the matter will be handled just as is outlined in the bill. The employees will have the right of appeal in the matter of efficiency ratings; and this matter will then come before the Congress merely as a routine appropriation of the necessary funds to carry out what Congress had already repeatedly indicated as its intention. There will be complete control so that it will be impossible for administrators to misuse the funds, to divert them from one group to another, but they will have to be used for a specific purpose and they can be checked as to the use actually made. This furnishes a definite and detailed measuring rod which can be applied by anybody with a reasonable familiarity with the subject to determine for his own satisfaction whether the act is being fairly administered.

Mrs. ROGERS. You heard Mr. Young, of the staff of the Bureau of the Budget, say yesterday that he felt not at all satisfied with the way efficiency ratings are being handled.

Mr. STEWARD. Nobody familiar either with the present operation, which has improved, or the past history of efficiency ratings could be satisfied with them, least of all those interested in their administration at the present time.

Mr. MILLS. Have you had occasion to review the investigations made by the subcommittee of the Senate Committee on Civil Service concerning many irregularities in the various departments of our Government?

Mr. STEWARD. You refer to the Ellender committee, I take it.

Mr. MILLS. Yes.

Mr. STEWARD. I am familiar with that investigation in a general way. That committee had to do with individuals and regardless of the number of individuals in such a large group as the Federal service who come forward with individual allegations unless they are geared and adjusted to the whole personnel, one cannot get a clear picture.

Mr. MILLS. Do you mean to say that such investigation did not accomplish any good?

Mr. STEWARD. I would not say that. I would say that to work out or to conduct an investigation of personnel methods and determine what steps should be taken to either obviate the abuses complained of or to prevent their occurring in the future is a matter for detailed investigation by experts; and it is something that can hardly be developed in connection with a legislative hearing. That may result from information obtained at legislative hearings, but it would be like attempting to draft a tariff act on the floor of the House. I compare the two advisedly with knowledge of the complexity of the personnel system.

Mr. JACKSON. What is your attitude toward those categories of employees not included in H. R. 1073, such as customs employees and employees of the immigration border patrol?

Mr. STEWARD. I am wholly in favor of applying adequate salary advancement machinery to all categories of Federal employees. I was merely pointing out that as certain categories are excluded from the operation of the Classification Act, in order to bring them within the salary-advancement plan advocated by H. R. 1073, it would be necessary to amend the existing language of the Classification Act as amended. Mr. Dingell and Mr. Sweeney mentioned customs employees. The Classification Act as amended excluded them in specific terms from its operation. That inconsistency must be reconciled in order to do anything about them or for them, or they will have to be handled by the enactment of special salary advancement legislation.

The CHAIRMAN. They are now paid under different legislation?

Mr. STEWARD. Yes.

Mr. JACKSON. What do you feel about them?

Mr. STEWARD. There is no logical reason why a certain limited number of employees doing the same character of work should have special treatment, be segregated from others, and they should be from a scientific standpoint a part of the classification system.

The reason why the customs employees were handled through special legislation was that that group felt that it was serving its particular interest best at that time by such special legislation.

Mr. JACKSON. Would that work in connection with shipyard employees, where the wages are fixed from time to time by wage boards?

Mr. STEWARD. Now you are getting into the mechanical categories whereby under certain acts, in 1862 and 1909, the wages of mechanics in navy yards are fixed by wage boards. That system still obtains. Those employees are specifically excluded from the Classification Act.

Mr. JACKSON. The employees of the navy yards and the arsenals are paid upon an hourly basis, are they not?

Mr. STEWARD. Their system of wage adjustment is provided by a separate statute and those employees are excluded from the Classification Act. There are different methods of pay in the navy yards and arsenals, some working on a per diem basis and some working on a yearly basis.

Mr. GEHRMANN. Do you not think that the main good from this bill would be the efficiency it would create within the departments? I know quite a number of employees that entered the service with perfectly good and patriotic motives, thinking that with satisfactory and continuous service they would be advanced as they increased in efficiency. They have had in mind that they would go through the different grades as their seniority increased; yet I know many of them who have been at the same pay grade a number of years even though their efficiency ratings meet the requirements for advancement. It seems that there has not been any money with which to promote these people about whom I am talking. The result is that these worthy employees naturally feel that their work is not appreciated. Do you not think that this proposal, if enacted into law, would create and stimulate additional efficiency within the departments?

Mr. STEWARD. Yes; it unquestionably would furnish the necessary stimulus to keep employees over long periods of time and encourage them to make even greater endeavors. This proposal would create a spirit of competition, and the final result would be reflected in an increased quantity and quality of output.

Mr. SHERIDAN. No doubt we shall take this bill to the floor of the House. You have told us that you would not want to stigmatize any particular department for failure to advance employees within the various grades. Let me ask you again whether you can tell me the name of any particular department of the Government or agency where that has occurred?

Mr. STEWARD. Over a long period of years, covering the larger departments, I think the lag behind all others in personnel practice has been in the War Department. I think that is the outstanding Department in exhibiting a lag in connection with personnel practices.

Mr. SHERIDAN. Can you name any other department?

Mr. STEWARD. Among the older departments, the War Department was so far behind in that competition that it would be rather useless to mention the second one.

Mr. STRATTON. Is that true today in the War Department?

Mr. STEWARD. The War Department has made very substantial advances in the last few years. For the first time and within the last year or so the War Department has had a well-qualified personnel officer, and he has begun to assemble a qualified staff in the personnel office, and while they are confronted with a tremendous increase in personnel incident to the national-defense program, nevertheless that Personnel Division is giving a good account of itself.

I am simply indicating that the War Department was a long while even beginning to come to the point where it recognized, as employers everywhere else recognized, that personnel matters are really an important part of any organization and they should have serious consideration.

Mr. STRATTON. You would say that the conditions are being corrected.

Mr. STEWARD. Yes.

Mrs. ROGERS. Of the independent offices and new offices within the departments, which was the greatest offender?

Mr. STEWARD. Naturally the creation of a great number of activities, beginning with 1933, and the Congress exempting them as to method of appointment, from civil-service rules and regulations, and the Congress not fixing their pay according to the Classification Act, all this was a tacit invitation to incompetency of personnel administration, and where that was not the result it was due to the high character and insistent action of administrators who had those responsibilities placed upon them.

I think, perhaps, the Home Owners' Loan Corporation started at the foot of the list. Later it improved markedly. I am not attempting to rate as one would a sheet of examination papers, but I am mentioning a couple of what were horrible examples.

Mr. BECKWORTH. On the basis of your wide experience in dealing with employees could you indicate any specific percentage that, in your opinion, would fail to qualify for increases; could you give us that information based upon percentages?

Mr. STEWARD. That is a question involving the determination of certain questions of fact. With an improvement of personnel practice there should be an improvement in the weakest spot in the whole personnel set-up, and that is in connection with minor supervisors, whom I would liken to noncommissioned officers in the military service. Employees, instead of being allowed to make mistakes uncorrected or unadvised, should be advised what to do and how to avoid mistakes. When that is done the number who will fall below the acceptable standards will be very much lessened.

Mr. BECKWORTH. Then you would say that most of the employees we have in mind are qualified.

Mr. STEWARD. The presumption is that, after they have passed an examination, after they have gone through an extended probation period of learning and observation, they will be able satisfactorily to perform the work to which they are assigned unless there is some mental, physical, or psychological factor.

With proper administrative supervision, I feel that a negligible proportion of the employees will fail to meet the reasonable standards contemplated in the bill before the committee.

The CHAIRMAN. How many years' experience have you had with the matters you have been discussing?

Mr. STEWARD. I have had almost 45 years in personnel matters.

The CHAIRMAN. How long have you been president of the National Federation of Federal Employees?

Mr. STEWARD. I have held that position 23 years.

The CHAIRMAN. And you have had a broad and extensive experience not only in dealing with the problems involved in personnel administration but also in getting legislation for the employees you represent, have you not?

Mr. STEWARD. I shall have to admit that, Mr. Chairman.

The CHAIRMAN. I gather that it is your opinion that since the Bureau of the Budget has recommended this plan embodied in H. R. 1073, and since the Bureau of the Budget is supposed to represent the view of the President, you feel it is safest to go along with what the Budget has recommended rather than inject new features.

Mr. STEWARD. Yes; I have learned in connection with legislative matters to be a realist. I can recall no other instance since we have had a Bureau of the Budget when the head of that organization has appeared before any committee of the Congress to advocate anything in the interest of civilian personnel. I feel inclined to run, the ball having been passed, and attempt to score.

The CHAIRMAN. You recognize the fact, I am sure, that any legislation providing for the salary-advancement system can only be made effective by the action of the Committee on Appropriations through the machinery of appropriation.

Mr. STEWARD. Yes; without that any idea would dry up for lack of nourishment.

The CHAIRMAN. It is very important for us to take into consideration the attitude of the Committee on Appropriations in dealing with this subject, would you say?

Mr. STEWARD. Yes, indeed; we must have a favorable attitude of that committee. This is the guide, the governor, and the control but without sustenance there will not be any life, and that sustenance must come from the Committee on Appropriations.

The CHAIRMAN. This plan could not become effective unless the Committee on Appropriations recommended and the Congress authorized appropriations to carry it out.

Mr. STEWARD. That is correct.

The CHAIRMAN. Under the present system that we have been following for many years, is it not entirely possible that a given agency of the Government, having only enough money to give salary increases to, say, 10 percent of the employees on its rolls each year—is it not possible for that particular agency to give the salary increases each year to the same 10 percent of its employees?

Mr. STEWARD. I think so; for the same reason that there is a human tendency to have in mind those whom we see constantly as deliberate as may be our intention to remember those without our sight and distant from us. The human tendency is to keep in mind those with whom we are in contact and to favor them and that without designed partiality, but simply because they are within sight and in mind and attracting favorable attention while doing good work. Unless there is some system that will bring all the employees into competition, if it can be so called only in connection with certain standards of ratings, the fellow off behind the sun will not receive much consideration. In no other way can favoritism, be it conscious or unconscious, intended or unintended, be avoided.

The CHAIRMAN. Do you feel that the provisions of H. R. 1073 will be a brake, so to speak, on that possibility; does it set up a system that will be a check against this unconscious partiality that may have existed?

Mr. STEWARD. I do not see how that can be avoided. First, an employee knows that he or she is within the terms of the salary-advancement plan. The employee is given an efficiency rating which entitles him to an increase under the plan, and if he does not get it there you get a signal. If an employee be dissatisfied with his efficiency rating, if he feels that an injustice has been done to him, he has the right of appeal, and that will bring the subject up.

The CHAIRMAN. Those in grades in which the compensation increments are \$60 or \$100 have to wait 18 months for a promotion and

those who are in grades in which the compensation increments are \$200 or \$250 have to wait 30 months to get an increase.

Mr. STEWARD. The time you mention must intervene between advancements, yes.

The CHAIRMAN. So that there is a definite check on the possibility of partiality, would you say?

Mr. STEWARD. Yes.

Mr. SHERIDAN. The chairman referred a little while ago to the fact that repeated increases might be given to 10 percent within an organization from a lump-sum appropriation, while those in the lower brackets were not given anything. Is not that an indication that the employees in such an organization would try to acquire greater efficiency in order to be among the 10 percent to be increased?

Mr. STEWARD. I think that is natural. That offers an incentive to one in trying to get some place faster. Where a tangible benefit is in sight, the employees will work harder.

Mr. MOSER. You referred to the fact that, in your opinion, the Home Owners' Loan Corporation stood at the bottom of the independent agencies that handled this matter properly.

Mr. STEWARD. It did so at its inception.

Mr. MOSER. Which of the independent offices would you put at the head of such a list?

Mr. STEWARD. I think in their original creation those that were related to or had some definite tie-up with the Agriculture Department should be placed at the head of the list. That is explainable because the Department of Agriculture was foremost among the departments in initiating personnel improvements within its jurisdiction.

Mr. MOSER. Of course the Department of Agriculture would not come under the head of an independent office under the purview of Mrs. Rogers' question.

Mr. STEWARD. It has certain tie-ups with independent agencies.

Mr. MOSER. Among the independent offices or agencies of Government I am wondering how you would rate the Social Security Board having in mind its practices. I have in mind the policies it adopted and the practices it set up for high salaries for people brought in and installed in positions subsequent to the application of the civil service law for the determination of eligibility for service promotion within the agency. We had hearings on that in the committee 3 or 4 years ago, and I believe you were here at the time.

Mr. STEWARD. I have some recollection of that, Mr. Moser. I would hesitate to characterize specific positions without having the record before me upon which to base an intelligent answer.

The CHAIRMAN. I think it is well to keep in mind that many positions in the Social Security Board were not under the Classification Act or the civil service rules and regulations in the beginning, and therefore the opportunity for fixing any salary existed.

Mr. MOSER. After the civil-service rules and regulations applied, the Social Security Board continued to bring in people of their own selection and tell people on the civil-service register that they might as well forget about this matter because all subsequent promotions were going to be made by noncompetitive methods and the board was going to do the selecting of those for promotions.

The autocratic method by which the Social Security Board affairs were administered appears to be a reason for taking some of those people over. The Railroad Retirement Board got many of those people.

In line with the experience you have had, I would like to have an expression of your reaction to a department of the Government, an executive department outside of independent offices, a department under the executive branch of the Government, which finds itself under the painful compulsion of administering two laws, one having to do with the matter of promotion under the provisions of the Classification Act and the other an obligation to obey the mandatory appropriation law, which latter was written after representations made as to the necessity for increasing certain personnel. After the Committee on Appropriations granted the request for additional funds to hire new employees that department took all those funds to increase salaries and did not employ a single new man. Did that come under your observation?

Mr. STEWARD. If I get the import of your question, it is as to the action of an administrator who was caught in such a dilemma.

Mr. MOSER. Yes. The bureau got an appropriation for the specific purpose of hiring new men in a certain category and yet it took all the money that the Congress granted and used it for the purpose of increasing salaries of the higher-paid employees within the same bureau. We have had that conflict here, and there does not seem to be anything done about it. Those very people who came here and urged the Committee on Appropriations to grant that money for additional employees took the money and increased their own salaries along with the salaries of others. Not a cent was used in hiring new employees. In other words, there was a complete misrepresentation of the purpose for which the money which was granted was needed.

Mr. STEWARD. That would be corrected by the language of H. R. 1073. There are set forth specifically those categories of employees who may receive salary advances and under what conditions they may receive them. When an appropriation is sought and made there is a complete check as to the expenditure and under the terms of legislation such as this if an expenditure is made of those funds outside the limits imposed, the Comptroller General may refuse to approve the pay roll.

On the other hand, if the employees in whom are vested certain rights to advancement by this bill do not receive them, they may file claims with the General Accounting Office and they will be recognized.

Mr. MOSER. But if such a thing as I have outlined happened, and it did, there would be no occasion for the fellow who did not get the employment to go to the General Accounting Office for redress.

I took the floor and denounced that practice in no uncertain terms.

Mr. STEWARD. If an agency is without the purview of the compensation classification and if employees are not protected by such a proposal as we have in H. R. 1073, those things can recur and can only be handled by such chastisement as the Congress may choose to impose upon the offender or offenders.

Mr. MOSER. Do you not think there should be some chastisement put in the bill itself?

Mr. STEWARD. In my judgment none will be necessary with the involving of the authority vested in the President by the Ramspeck Act to bring, under title 2, into the compensation classification system positions that have been out of it by virtue of law, and with the additional protection to employees as well, and the check which the Congress has as proposed in H. R. 1073. I fail to see how such a condition as you cite could recur.

Mr. MOSER. There would be a happy solution if it could not recur.

You have mentioned chastisement. I think that should be a part of the bill. I think it should be in law that when one does not obey the law of the land he should be at least dismissed from the service; and if one should be subject to criminal prosecution in connection with his conduct, I think he should be prosecuted in our courts.

I am glad to hear you apply the term chastisement. I tried chastisement on the floor of the House, but I was not very effective.

Mr. STEWARD. If we prevent a recurrence of some of those evils, is not that more important than punishing past offenders?

Mr. MOSER. Many lawyers might say it is ipso facto.

Mrs. ROGERS. Was that the department that increased the salaries of several employees several times during a year?

Mr. MOSER. That was done. The particular organization I have in mind is the Office of the Chief Inspector of the Post Office Department. That is the branch of the service in which I was a post office inspector. The representatives of that office came before the subcommittee on appropriations and asked for additional inspectors, the money for them was granted, yet that money was taken in its entirety and used to increase the salary of those already in the service, including the salaries of those who had made the misrepresentation before the subcommittee. That is a plain violation of the appropriation law; it is a plain, downright misrepresentation. Those people knew they were doing wrong. Perhaps they did not think that a Member of Congress who is a former post office inspector would get up upon the floor of the House and remind them of their nefarious conduct.

The instance to which you have referred was equally applicable. I think Mr. Woodrum stressed that on the floor of the House. Dr. Sirovich also stressed that, because he had more of those people in the Social Security Board than I had.

Mr. REES. You have in mind, first, a more equitable distribution of funds allocated to the departments for payment of personal services. When those funds are allocated you want them distributed equitably among the different grades of employees. I am sorry that I was not here yesterday. You are advocating also an increase in the amount of funds to be provided. If you would advance certain groups 10 percent, that, of course, would take additional money.

Mr. STEWARD. That is set forth in detail as a result of the investigation made by the Bureau of the Budget. That is in the report of the Bureau.

Mr. REES. But that increase of 10 percent will result in the expenditure of more money, would it not?

Mr. STEWARD. As was explained by the representative of the Bureau of the Budget yesterday, that curve will not only flatten off but after a period of years will be lessened to a point where it may be anticipated that it will entirely disappear.

Mr. REES. Under the present amount we are paying, it will cost several million dollars a year for quite a while, will it not?

Mr. STEWARD. In view of the original intent of the Classification Act, which was not carried out, in view of the fact that there has been practically a contract for 18 years in which one party to the contract has been in default, the comparatively insignificant amount necessary partially to make up for that lag is, I think, irrelevant.

Mr. REES. Nevertheless, it is a fact that if we operate as now, there will be an increase in expenditures. You are not advocating the cutting of any salaries in order to come under this proposed act. The fact remains that it is going to cost several million dollars the next few years in order to carry out the provisions of this proposal.

Mr. STEWARD. It will cost a limited amount. I think that \$3,-000,000 is the amount.

Mr. REES. The total amount runs between \$30,000,000 and \$40,-000,000, does it not?

Mr. STEWARD. I think \$29,000,000 is the exact figure.

Mr. BECKWORTH. That would be about \$5 an employee a year, for an average.

Mr. STEWARD. That seems to be about right.

Mr. STRATTON. Does that apply to only about 304,000 employees?

Mr. STEWARD. There has been somewhat of an enlargement on account of the national-defense activities, which has increased our personnel very materially.

Mr. STRATTON. The estimate of \$29,000,000 for 10 years is based upon what?

Mr. STEWARD. It is based upon percentage additional to the pay roll. It would be somewhat less than 1 percent additional to the pay roll regardless of the number of employees involved.

Mr. BECKWORTH. Do you seriously believe that this proposal will not cost over a period of 10 years more than \$29,000,000; do you not think that figure is probably very much minimized? I fail to understand where the great saving will be effected. I heard your explanation of that a little while ago when you told us about a \$9,000 man leaving his job and it being filled in such a manner as to cause many promotions, pending which promotions there would be a saving in the form of lapses. Frankly, I do not understand where this saving will take place.

Mr. STEWARD. By these lapses salary advances may be made without the addition of 1 cent to expenditures.

Mr. BECKWORTH. It would not be bad if this plan would cost only \$29,000,000 over 10 years; but I am not satisfied that the cost would be so small.

Mr. STEWARD. I have never known the Bureau of the Budget since it came into existence to underestimate the expense of anything that involved the welfare of Federal employees.

Mr. BECKWORTH. Does that apply to other things, in your opinion?

Mr. STEWARD. I am confining myself this morning to the bills before the committee.

The CHAIRMAN. The committee should keep in mind in connection with the questions of Mr. Rees of Kansas that we are not proposing to alter that part of the Classification Act which says that no increases shall be made until and unless the Congress appropriates the money. So that if Congress fails to appropriate any more money for salary

increases, the only effect of this bill if it were passed, would be to more fairly distribute what is actually appropriated. The point is that the Congress will still retain control of the cost through appropriations.

Mr. REES. I am not raising the question as to whether it should or not be increased, but from the testimony I have heard it seems to me necessary in carrying out this proposed legislation that we increase the expenditures.

The CHAIRMAN. It has been stated by the representatives of the Bureau of the Budget that over a period of 10 years the cost will level off and possibly cost a little less than we are expending now on this account because there will be a better distribution of the money.

Mr. SHERIDAN. Unless the money is appropriated, would that not confirm Mr. Steward's statement that one party to the contract would be in greater default?

The CHAIRMAN. That would be true.

Mr. GALE. As I understand, the basis of promotion provided in H. R. 1073 is largely a matter of efficiency ratings. Is such an efficiency rating in force now; if so, how successful is it? Would it work well? If it is changed, should the changes be written into the law or be left discretionary with the heads of departments and agencies?

Mr. STEWARD. Efficiency ratings in the Federal service have never been satisfactory. I believe it can be fairly said at the present time that they are less unsatisfactory, much less unsatisfactory, than they have been in the past.

Quite a number of the most arbitrary and unfair items in the efficiency ratings set up have been eliminated, such as the malodorous average provision, which set up arbitrarily that the average must be 82.5 percent, which condemns utterly those members of a group, however efficient they may be, because only a certain number of that group can possibly advance under that arbitrary provision.

I think the simpler and the less they attempt to indicate, the better chance an efficiency rating system has for satisfactory administration. The more complicated, the greater opportunity for deviation from a right line and the commission of horrible injustices.

Steps are being taken at the present time to improve efficiency rating systems. The legislation known as the Ramspeck Act will furnish a further incentive to improve the efficiency-rating systems, if for no other reason that in those departments or agencies where the operations have been most unsatisfactory, the appeals system provided in the Ramspeck Act will bring that to the foreground, so that the protective instinct will to a certain extent improve efficiency ratings in those agencies.

Coupled with that are the operations of the Council of Personnel Administration, which, I understand, is working on the whole subject with a view to improving not only the set-up but its administration also. Out of that, and with the safeguards already provided, I feel confident that the bill before you, H. R. 1073, will give in a very fair way an opportunity for measuring those who should advance.

Mr. STRATTON. I have received letters from postal employees interested in effecting increases in pay. Does this proposal cover them?

Mr. STEWARD. By specific language there are certain categories excluded from the act. The Postal Service is excluded. The only persons under the jurisdiction of the Post Office Department that fall

within the proposal before you are the departmental employees of the Post Office Department and in the field the custodial employees under the jurisdiction of the Fourth Assistant Postmaster General.

The CHAIRMAN. We thank you very much for your statement, Mr. Steward.

STATEMENT OF CHARLES I. STENGLE, REPRESENTING THE AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

The CHAIRMAN. The next witness is Mr. Charles I. Stengle, of the American Federation of Government Employees.

Mr. STENGLE. I may say, Mr. Chairman and members of the committee, that the American Federation of Government Employees is affiliated with the American Federation of Labor.

I want to assure you at the outset, gentlemen of the committee, that I shall be very brief, and not prevent your answering any roll calls of the House.

If I might be permitted to do so, let me say that after serving for 5 years as secretary of the Municipal Civil Service Commission of New York City, during which time it was my duty to handle 50,000 persons a year from all the nations of the earth, except Japanese and Chinese, I was elected a Member of the Congress and took my seat in 1923. Those are two important events in the history of the Congress, namely, the enactment of the Classification Act of 1923 and my appearance on the scene of activity.

Mr. MOSER. Did you introduce the Classification Act?

Mr. STENGLE. I did not.

Mr. MOSER. I thought perhaps it was your bill.

Mr. STENGLE. No.

Very naturally, having had the experience I have outlined in connection with municipal activities in which work we based promotions examinations largely if not entirely upon the passage of an examination, which all who were outside of the probation period were permitted to enter, I became a careful student of the Classification Act and its corollary.

Having served a term in Congress, I decided to remain here where I have been for the last 18 years going in and out of Congress, as you know, almost daily; and I have studied this question front and back.

Nearly all the questions that have been asked yesterday and today seem to point to the thought that this is a bill simply to help the Federal employees.

Let me remind you that this is a measure that will greatly help Members of Congress also if it becomes a law. All of you have had the experience of having constituents come to your office and appealing to you to do something for them. They have asked you to secure promotions for them in some departments in Washington, and you have been able only to try to effect their desires; whereas under H. R. 1073 you could point the head of a department to the legal requirement and obtain results instead of having to use moral suasion and fail most of the time.

From the standpoint of the Government, if we are to obtain the best results, whether in the legislative, the judicial, or the executive branch of government, there are certain paramount features that must be obtained. One feature is to have properly qualified personnel in these

various places of trust. Another feature is not to destroy ambition that is pointed in the right direction. Another feature is to keep to a high standard the efficiency of those who are operating in behalf of the Government.

All these rules apply alike to the head of a department, the employee, and even to Members of the Congress; so that when you have a constituent who participates in an examination, wins appointment in departmental service, you will have a constituent started upon a career and have staring him in the face a classification law which says that within certain confines, if he be efficient, loyal, and faithful, he may rise to reward and position, making the position a career rather than simply another job.

One of the weak spots we have had for years in our Federal service is a lack of incentive, caused by a lack of law, because of the lack of application of law, and many, many who have come with the highest ambition to serve their country have become automatons in the service because hope has died and there is no chance for advancement anywhere.

H. R. 1073 will open the door of hope; it will open the door of hope to the Government and to the employee; it will render a more efficient service for the taxpayers.

We hear much around this table about the cost. If an investment produces dividends, why question the cost?

There are many appropriations that will not produce as good a dividend as will H. R. 1073 by way of increased efficiency in the service of the Government.

As has been stated by your able chairman, this is a matter for the Committee on Appropriations and not for the Committee on the Civil Service.

It has been my duty during the last 6 years to appear before every subcommittee on appropriations in the House of Representatives; year after year I have made those appearances in behalf of somebody, some group that has not been recognized even though it was faithful in the performance of the duties committed to its keeping.

In 1937 I began the practice of talking things a little more plainly and I appeared before the House Committee on Appropriations considering the Post Office and the Treasury Department appropriation bills. My good friend Mr. Sheridan has asked for cases. I well remember at that time that a case came up from his district, from the Mint in Philadelphia, where men were working long hours at \$5 a day while beside them were men who had recently been appointed at \$6.20 a day without rhyme or reason.

There was no way to adjust that inequality and effect fair play to Mr. Sheridan's constituents.

The next year before the same subcommittee we discussed promotions in connection with the average clause; and if you will read the record of the proceedings of the Committee on Appropriations for the fiscal year 1940, having to do with that hearing, you will find that we discussed at length some way by which we could correct a growing evil where some were promoted and others were being forgotten. The discussion at that time had to do with the plight of the custodial employees in the service of Uncle Sam who were earning less than enough to provide a reasonable livelihood for their families and children while they were rendering a valuable service without hope of advancement.

As a result of that conference that subcommittee promised me that it would take up the matter with the complete committee and request it to secure from the Bureau of the Budget a survey of the promotion situation.

I might frankly say that I had little hope that the Bureau of the Budget would produce before this committee a report such as it has. Past experience had told me that the Bureau of the Budget was not anxious to increase but rather anxious to decrease appropriations looking to expenditures anywhere along the line.

I thank God that we have in Harold D. Smith, the new director of the Bureau of the Budget, a man who recognizes the humanities of life and has met the issue manfully, fearlessly, and with complete justice.

Those of us who have been here and trying to improve this condition recognize that the report of the Bureau of the Budget as a veritable Magna Charta that will bring new life into the Government service and properly inspire those who are very much discouraged. From the standpoint of the Government this H. R. 1073 will mean a great improvement; from the standpoint of the employees it will mean a very great improvement; from the standpoint of the taxpayers it will mean a very great improvement, because the taxpayers will get more service for their dollars than they can possibly get under conditions through which we have passed.

I might talk all day to you about cases or about lines and verbiage of various bills, but I want to appeal to you directly to report favorably H. R. 1073 and do so quickly, in order to give us upon the statute books something that can be really effective and truly beneficial in behalf of the Government, the people of the country, and the Federal employees.

There has been a discussion this morning here by Representatives Dingell and Sweeney, both of whom I have known very favorably many years, in behalf of the Customs employees. I am very well acquainted with their status. We have some of them in our own organization, aside and apart from their independent organization. They have appealed to me to speak in their behalf.

Let us remember that years ago different groups obtained special acts that would give them a different method of pay. Some of these were included in the Customs Service; some of them are in automatic-promotion status in the Immigration Service. Almost entirely they are in the Postal Service, from whom you have an honored graduate in the person of Representative Moser.

I want to help every man in the Government service; but I want first of all to get the camel's nose under the tent before I spread my wings to take in all the universe.

For that reason I want to urge you to report this bill out as is. There will be plenty of time for proper amendments after this bill becomes law. Let us establish the principle that is written in the pending bill.

I fear that if we try to make any changes we will break the whole scheme that has been studied and perfected in the survey; and I feel that if the thing is disturbed the Bureau of the Budget will refuse to go along any further with us in connection with this kind of legislation.

We have today perfect unanimity between the Bureau of the Budget, the Civil Service Commission, the employee organizations;

and I pray to God that this committee, during the first time in our history when we all agree that certain things should be done, will give us a favorable report on the pending bill.

If you do that, may the merciful God pass you on to your eternal reward when your time comes.

Mr. COFFEE. You were familiar with the civil service during the World War, and you know how many faithful employees failed to receive just compensation. Was it not brought out then that had all the civil-service employees possessed the incentive that is in H. R. 1073, the morale and efficiency of the service of that time would have been very much higher?

Mr. STENGLE. Yes.

Mr. COFFEE. I believe that those in the higher brackets received practically all the money available for increases in pay; but had such a bill as H. R. 1073 then been law, each employee would have stood a good chance to receive proper remuneration.

Mr. STENGLE. Yes; and the permanency of the service would have remained.

Mr. COFFEE. As it was, the Government lost many valuable and highly trained civil-service employees, simply because they could do better on the outside.

Mr. STENGLE. Yes. At that time I was in charge of the activities of the municipal civil service commission in New York City. I had my own headaches trying to preserve enough competent employees to carry on legitimately when the allurements to go on the outside and get big money were strong.

I do not believe in looting the Public Treasury. I tell every Subcommittee on Appropriations the same thing; but to rectify an injustice is always something that is in order. If I commit an injury against you, Mr. Beckworth, whether it involves money in the Treasury or not, it is my duty to rectify that injury. That is all I am asking for at this time. A mistake has, admittedly, been made, and it militates against the Federal employees.

I fought the average clause many years; and I still believe it is illegal, because it goes in conflict with the direction of the Classification Act.

I have appeared before every subcommittee of the Committee on Appropriations and asked the committee to drop that average provision from the appropriation bill.

This year, in order to show you how earnest I am in connection with this matter, when I have appeared before the different Subcommittees on Appropriations, I have asked them to support this bill now before your committee. They asked for the survey; they have it; and I have no hallucinations about what they will do if you will write this bill into law.

Mr. MILLS. If we adopt this bill, that will not mean that the Committee on Appropriations will necessarily have to put up the money to carry it into effect.

Mr. STENGLE. No.

Mr. MILLS. Therefore no harm will be done.

Mr. JACKSON. Do I understand that you are opposed to amending H. R. 1073 so that it will include employees of the Customs Service?

Mr. STENGLE. My personal opinion is that we would better take H. R. 1073 as it is. That bill has been predicated upon a careful survey by the Director of the Bureau of the Budget, and it has been mathematically carried out. How can we in good grace go before the Bureau of the Budget with a law that has been amended and ask its wholehearted support.

Mr. JACKSON. Do you think it is fair to exclude a certain group of Federal employees and include others?

Mr. STENGLE. If you are speaking generally, I would say that it is just as unfair to exclude a certain group and put in another certain group when a law is passed. That is what happened with the Customs Service. They asked for their present status. Why did they not remain under the Classification Act?

Mr. Moser's old department runs on an automatic-increase basis and has done so for years.

Mr. JACKSON. That would not justify a refusal to grant the Customs employees and other employees the benefits of H. R. 1073.

Mr. STENGLE. I will go with you in a separate bill, but let us not disturb H. R. 1073.

I am for giving every fellow an even break.

Mr. STRATTON. How many customs employees are involved in this?

Mr. STENGLE. I am told 35 percent of them.

The CHAIRMAN. We will have the president of the customs employees' association here as a witness tomorrow.

Mr. STENGLE. In the report of the Bureau of the Budget I notice there are certain groups exempted, and I think you will find that a portion of that service will be brought under this and the other portion will be left out. However, as the chairman has stated, the president of the association of the customs employees will be here tomorrow, he is a very capable man, and he will give you all the information you want.

Mr. SHERIDAN. Possibly the increase expenditure of \$25,000,000 or \$30,000,000 will afford good dividends upon the investment.

Mr. STENGLE. Yes; those lapses will be very helpful.

Mr. SHERIDAN. How about dividends under the present investment?

Mr. STENGLE. We are getting dividends.

Mr. SHERIDAN. According to your argument, the efficiency and necessary incentive for advancement is not here. Would you favor this as a dividend?

Mr. STENGLE. No; but you get a smaller dividend now than you would get under H. R. 1073.

Mr. SHERIDAN. Under this bill all one has to do is to meet the requirements as to efficiency before being promoted, I believe.

Mr. STENGLE. He has to get very good in order to get very far and to get good in order to get anywhere.

Mr. SHERIDAN. If one receives a rating of good he gets an increase of \$60 or \$100 a year.

Mr. STENGLE. Yes; if it is appropriated.

The CHAIRMAN. It is necessary that the committee adjourn now, to meet a 10 o'clock tomorrow morning.

(Thereupon at 12:15 p. m., Wednesday, March 12, 1941, the committee adjourned, to meet at 10 a. m., March 13, 1941.)

INTERNATIONAL FEDERATION OF TECHNICAL ENGINEERS', ARCHITECTS', AND
DRAFTSMEN'S UNIONSWASHINGTON, D. C., *March 14, 1941.*

HON. ROBERT RAMSPECK,

*Chairman, Committee on Civil Service,**House of Representatives, Washington, D. C.*

DEAR SIR: The undersigned attended hearings on H. R. 1073 and related bills which have for their purpose the enactment of legislation dealing with systematic promotion arrangements for those employees covered by the Classification Act of 1923 as amended.

We were very much impressed with the able presentation of President Stengle of the American Federation of Government Employees and do not know how this could be improved upon. We wish to have the records show, therefore, that we approve the position taken by President Stengle and endorse the proposed legislation as set forth in H. R. 1073 which we hope will receive the committee's approval and favorable action at this session of Congress.

Trusting that your committee will see its way clear to work toward this end, I am

Very truly yours,

C. L. ROSEMUND,

*President, International Federation of Technical Engineers', Architects',
and Draftsmen's Unions.*

UNIFORM SALARY INCREASES

THURSDAY, MARCH 13, 1941

COMMITTEE ON THE CIVIL SERVICE,
HOUSE OF REPRESENTATIVES,
Washington, D. C.

The committee this day met at 10 a. m., Hon. Robert Ramspeck, chairman, presiding, for further consideration of H. R. 1073 and other bills.

STATEMENT OF HON. WILLIAM A. PITTENGER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

The CHAIRMAN. We have our colleague, Mr. Pittenger of Minnesota, with us this morning, and he desires to make a brief statement. We shall be glad to hear you at this time, Mr. Pittenger.

Mr. PITTENGER. Mr. Chairman and members of the committee, I do appreciate the courtesy of your chairman, because I have another committee meeting to attend this morning.

Mr. Chairman, many Federal employees in my district are interested in H. R. 1073. Employees in the Treasury Department who work in the United States Customs Service have called my attention to this legislation. I hope that the committee takes favorable action not only in connection with the pending bill but also with amendments which will be submitted to the committee as soon as the hearings are closed. Passage of this legislation will affect favorably thousands of workers in the low-paid ranks. They will seek employment elsewhere unless they have some assurance of automatic pay raises.

Congress has seen fit to pass two automatic salary increases for the United States Customs employees, one for the inspectors and because the President in his veto said in substance that he could not discriminate against the other customs groups, the second bill is to include all customs groups. The second bill was vetoed on about the same basis as it related to the whole Federal civil service employees.

It is plain that the President had in mind some such bill as H. R. 1073 that would provide the same benefit, under orderly, systematic procedure for all Federal employees. It would be an error to shut out the customs employees from the provisions of the bill because they are paid under the Bacharach Act of 1929, and are not under the classification, which H. R. 1073 covers.

It seems clear that since the clerks of the Customs Service are specifically mentioned as excepted from the provisions of H. R. 1073—see page 7 of the Bureau of the Budget report to the Appropriation Committee outlining H. R. 1073—that the Bureau of the Budget intended to recommend all the other groups of the Customs Service.

The lower grade clerks of the Customs Service, Bacharach Act, are already receiving automatic salary increases and are excepted for that reason.

STATEMENT OF EUGENE J. KEOGH TO THE CIVIL SERVICE COMMITTEE

Mr. KEOGH. Mr. Chairman and members of the committee: I appreciate very much your courtesy in affording me this opportunity to submit this statement.

I am directing my remarks particularly to the amendment that I am informed, has been proposed, which amendment seeks to include within the provisions of this bill those employees covered by section 1 of the act of May 29, 1928, namely, customs guards, inspectors, verifiers, openers and packers employed in the Customs Service.

The act of May 29, 1928, referred to above, is popularly known as the Bachrach bill. Unfortunately, by this provision, the act is permissive in nature and, as a practical matter, the intention of the Congress as expressed in that bill, has not been carried out because of budgetary limitations.

Since it is the purpose of H. R. 1073 to accord to civil employees automatic administrative increases, I am of the opinion that the bill should be extended to include those in the Customs Service who, while they are entitled to such increases, have not received them.

I am of the opinion that while it may be argued that the form of the bill is such as to include these employees, there seems to be some doubt in that connection, particularly because of the act of May 29, 1928, which deals with them separately, and so in order to avoid any ambiguity or doubt with respect to the applicability of the pending bill to this group of employees, I urge the favorable consideration of the proposed amendment.

I know that you gentlemen are thoroughly familiar with the type of service that these employees render and with the importance of such service, particularly today. I know that at your hands they will receive sympathetic and serious consideration.

I urge the favorable adoption of the pending amendment, particularly in view of the fact that many of these employees have been in service a great many years without receiving any increased compensation.

I thank you very much.

STATEMENT OF GEORGE L. CONNELL, NATIONAL CUSTOMS SERVICE ASSOCIATION

The CHAIRMAN. The next witness this morning is Mr. George L. Connell, president of the National Customs Service Association.

Mr. CONNELL. I am employed as a deputy surveyor of the United States Customs at the port of New York.

On behalf of the 8,200 United States Customs employees, I pray that your committee will see fit at this time to approve of some bill that will provide for automatic promotions within the respective grades of the civil service employees of the United States.

Our association would find a great benefit in the improvement in salary conditions that would result from the enactment of any of the

automatic salary increase bills now before your committee. The National Customs Service Association does endorse each of them.

This association believes, however, that since H. R. 1073 is most conservative in its provisions, and since that bill is supported by a recommendation of the Bureau of the Budget, and we believe by the House Appropriation Committee, Government employees might do well to get behind that one bill, H. R. 1073.

The letter of the honorable chairman of the House Committee on Appropriations dated September 30, 1940, and addressed to you, Congressman Ramspeck, as chairman of your committee, transmitting a report of the Bureau of the Budget that recommended legislation that would provide automatic promotion, states in the first paragraph the following:

The Committee on Appropriations, in connection with consideration of appropriation from year to year has frequently been confronted with situations indicating the inequalities and lack of uniformity existing with reference to administrative within-grade promotions of personnel falling under the pay grades of the Classification Act of 1923, as amended.

In the Customs Service we have four groups whose pay is regulated by the Baeharrah Act, Public, 575, Seventieth Congress, approved May 29, 1928, but who have no automatic pay increase and are stymied in the same manner as are so many groups who fall under the Classification Act of 1923. We do not believe that the House Appropriation Committee nor the Bureau of the Budget would intentionally exclude from the benefits of this act, the four Customs groups who are not now enjoying automatic promotions. To do so would continue the same inequalities and lack of uniformity cited by the Appropriation Committee as reason for the favorable action of your committee.

With this conviction, we respectfully submit to your committee our association proposal for an amendment to H. R. 1073 as now written, which amendment is designed to bring into H. R. 1073 the four groups referred to, namely, verifiers-openers and packers, guards, inspectors, station supervisory inspector.

After line 20 on page 3 insert the following new subsection:

(g) The provisions of this section shall apply to all employees occupying permanent positions within the scope of the compensation schedules fixed by subsections (b), (d), (e), and (f) of section 1 of the act of May 29, 1928, as heretofore amended (U. S. C., 1934 ed., title 19, sec. 6a), and as amended by this act.

On page 3, line 21, strike out "(g)" and insert "(h)" in lieu thereof.

On page 4, line 6, insert "(a)" after "Sec. 4", and after line 19 insert the following new subsection:

(b) Subsection (e) of section 1 of the Act of May 29, 1928, as amended (U. S. C., 1934 ed., title 19, sec. 6a), is hereby amended to read as follows: (e) Inspectors, \$2,100, \$2,200, \$2,300, \$2,400, \$2,500, \$2,600, and \$2,700. Senior inspectors, \$2,700, \$2,800, \$2,900, \$3,000, \$3,100, \$3,200, and \$3,300.

Because in the case of the inspectors the present salary spread is so wide (\$2,100 to \$3,300), the association recommends the division of that spread into two grades. This would make the salary schedule conform to the classification grade of 7 steps.

It does not, in any way, propose a change in the rates of salary now paid. It is believed that the Treasury Department would request the division herewith recommended. The division would permit of allocation in accordance with the whole salary scheme of the Customs Service.

I beg that our association be permitted to bring to the attention of your committee the fact that the one group of customs employees now receiving automatic salary increases as is provided in section 1, subsection (c) of the Bacharach Act, have four steps in their salary range. To make the salary range of this group of clerks conform with the number of steps provided in most grades of the Classification Act, it is respectfully suggested that two more steps shall be added to provide a grade of six steps.

Twice Congress has passed automatic salary increase bills for customs employees. The first one was for customs inspectors and the second one, to meet the objections of the President of the United States, included all customs employees. Both bills were vetoed and the veto of the President in the first instance read as follows:

* * * although it is true that the provision of the bill if enacted would eliminate the existing dissatisfaction among customs inspectors by placing them on the same salary-promotion basis as immigration inspectors, it is equally true that by giving advantage to customs inspectors not granted to other groups of customs employees it would create dissatisfaction among these groups, numbering approximately 5,000 employees.

It was thought that the second bill would meet the objections of the President since it included all customs employees but his veto measure in the second instance read as follows:

I am returning herewith, without my approval H. R. 7948, Seventy-fifth Congress, entitled, "An act providing for the promotion of employees in the customs field service."

Section 1 of the bill establishing automatic promotions to the maximum of the grade is fundamentally objectionable for the following reasons:

It runs counter to the basic principle of section 7 of the Classification Act of 1923, as amended, which provides that "increases in compensation shall be allowed upon the attainment and maintenance of the appropriate efficiency ratings, to the higher grade within the salary range of the grade."

It is in conflict with the provision in all the departmental appropriation acts for the current fiscal year and in all the departmental appropriation bills for the next fiscal year which requires (with minor exceptions) that the average of the salaries of the total number of persons under any grade shall not, at any time, exceed the average of the compensation rates specified for the grade to which positions have been allocated under the Classification Act of 1923, as amended.

Section 1 of this bill would thus give preferential treatment by providing automatic promotions to the top of the grade for approximately 7,500 employees who are performing a character of duties similar to those performed by large numbers of employees in other departments whose promotions are controlled by the provisions of the Classification Act of 1923, as amended, and by the average provision in the respective appropriation acts.

For these reasons I do not feel that I would be justified in approving this bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, April 11, 1938.

It is considered that we now meet the President's objection by the orderly and uniform arrangement proposed in H. R. 1073.

Our association begs to be permitted to further call to your attention that in the letter of the Director of the Budget as printed in the report submitting "A salary advancement plan for the Federal service," on page 7 under heading "F. Coverage of the plan," it is shown that the only group of customs employees that were to be excepted from the provisions of the automatic salary increase proposal was the customs clerks (Bacharach Act). It follows that it was intended to include all other customs employees under H. R. 1073.

It is just, fair, and logical that the portion of us who will not be cared for under the Classification Act shall be taken care of by H. R.

1073. I refer to the group under that particular bracket. The clerks referred to are junior ones and they get automatic increases.

The CHAIRMAN. All customs clerks coming under the Classification Act now are included in H. R. 1073.

Mr. CONNELL. Yes; all under the Classification Act. Those not under that act come under the Bacharach Act, and I am pleading for them.

The National Customs Service Association was first interested in the matter of automatic promotions by the complaint of our customs inspectors working on both borders of the United States where customs men worked elbow to elbow with the immigration inspectors, who enjoy automatic salary increases. Customs inspectors who had served 12, 15, or more years in their jobs were paid in some instances \$2,100 per annum, the minimum salary provided for this position in the Bacharach Act of 1928. The immigration inspectors with only 5 years of service were receiving \$2,600 per annum. One can readily understand the discouragement and dissatisfaction of the customs men under such circumstances.

The National Customs Service Association believes that a happy condition of the mind in customs officers who may, and frequently do, under normal conditions, collect more in fines and penalties in a day than would pay their salary for one year, is conducive to outstanding performance. It is essential that the men be happy in their jobs and have the right spirit in their work and it is this that I am sure actuated Commissioner of Customs James Moyle in advocating automatic salary increases that resulted in the introduction of the first Customs Service automatic salary increase bill vetoed by the President.

While there has been some small improvement in the salary situation since that time, the salaries of the customs men are woefully below the salary paid to the immigration inspectors who work in many cases right alongside of the customs men.

Customs men everywhere rejoice in the thought that at least their brother officers of the Immigration Service are enjoying the benefit of an automatic salary increase. It is just natural, however, that we offer this fact and the fact that the post-office employees have the automatic salary increases, as an evidence of the inequalities and lack of uniformity that we beg your committee to assist in correcting by the approval of H. R. 1073.

Thank you for the opportunity you have given our association to be heard.

The CHAIRMAN. It might be well for you to explain for the record what the Bacharach Act did in regard to customs employees.

Mr. CONNELL. Going into the history of the Bacharach Act of 1928, that bill was not conceived by the employees, but was conceived by the Secretary of the Treasury, who appeared before the Committee on Appropriations in connection with it.

There swung into line in support of that bill many heads of industries and commerce who were working with us in the Customs Service on the docks or elsewhere and were unfavorably impressed by the deplorable conditions as regards salary paid the customs employees. They felt, I presume, that it was their duty as citizens to say something in support of this bill.

I remember one man who said before the committee that it was fine for the Congress to draft most carefully and after months of careful

study a tariff bill, but what good would it be without proper machinery to enforce it. He said, "As part of the proper machinery to enforce the tariff bill we should have a good type of customs officers which you cannot get without proper remuneration." He referred to a happy frame of mind in which a man might be placed in a position to do things he need not do and yet draw his salary. It is like a salesman. You can send him out to cover a district and he will do so after a fashion. He will not argue much for his goods if he does not have proper conditions under which to work. So with our men.

The CHAIRMAN. I do not want to cut you off, but what we want to know is what the Bacharach Act does.

Mr. CONNELL. It provides salaries for five groups only, namely, openers, packers, customs guards, station inspectors, and the low-grade clerks.

The CHAIRMAN. What did it provide; what change did it make in the status of those affected by it?

Mr. CONNELL. It provided an increase of salary at the time for the inspectors, as I remember, from \$1,800 minimum to a maximum of \$2,100. It also provided an increase from \$2,700 to \$3,300, as a maximum. Nobody ever got the maximum. One man in the whole United States got \$3,200, and he got it on account of his special work in connection with seizures. The Treasury Department especially awarded him that on account of his outstanding work in that field.

The CHAIRMAN. Does the Bacharach Act provide automatic increases from time to time?

Mr. CONNELL. No. Section 2 of the act was stricken and it was stricken out on the plea of one of the heads of one of the organizations here today asking that we be excluded because he thought it violated or it continued this average of grade clause that has caused so much hardship. He overlooked that our average grade was different than his average grade. His average-of-grade clause states that the average grade shall not be exceeded in substance. Our act provided that the average grade shall be approximately maintained. It was just as important to pay a little more as it was to pay a little less than the average. Our clause would have given us in 1928 the improvement we now seek. It would have given us an automatic promotion.

I think that describes the Bacharach Act.

Mr. JACKSON. As I understand, the two previous pieces of legislation that have been introduced were vetoed primarily because they referred to your special group, not to the entire field of Federal employees; is that right?

Mr. CONNELL. Yes; that is right.

Mr. JACKSON. You feel for that reason that the customs employees should now be included in H. R. 1073.

Mr. CONNELL. That is right. I think that all that was said in behalf of the customs employees and all the interest at the time has brought about a large influence on this situation and we find the Committee on Appropriations trying to do something to correct these inequalities.

I think the President himself was rather interested in the Customs Service.

Under date of April 15, 1938, the President in a letter to Senator Radeliffe, among other things, said:

I regret for the reasons set forth in my veto message of April 12, 1938, which seemed to me to be fundamental, that I did not feel justified in approving the

bill. However, I have requested the Acting Director of the Budget to consider the matter of promotions for field employees of the Customs Service in connection with the next Budget.

He did ask the Bureau of the Budget to consider us and we did get \$252,000 and no other group of employees got that that year. It was only on account of the terrible chaotic conditions that existed. We had men who had gone from 14 to 16 years without a salary increase, and yet they were working alongside those who had received probably several increases.

Mr. HARRIS. How many men in the Customs Service would this proposal affect?

Mr. CONNELL. About 3,500.

Mr. HARRIS. What is the present range of pay for the customs employees?

Mr. CONNELL. The range of pay is different for the different grades. Automatic salary increase clerks receive about the same as post-office clerks. They start at \$1,700 a year and go to \$2,100 a year automatically. That is the same as the post office. That is the reason they got that range of pay. They are already in an automatic status as regards their pay.

Mr. JACKSON. The low range is \$1,700 a year and the high range is \$2,100 a year, as I understand.

Mr. CONNELL. The collector gets \$12,000 a year.

Mr. JACKSON. I am talking about the ones this proposal would affect.

Mr. CONNELL. The guards get between \$1,800 and \$2,400, but none gets \$2,400. Perhaps a half dozen get \$2,000 each throughout the whole Service.

Mr. JACKSON. Under this proposal what would be the difference in the ranges?

Mr. CONNELL. It would not be changed, but they would be given a step-up within the salary grade. They would get the maximum that was intended.

Mr. JACKSON. How much would the increased cost amount to on account of the customs employees?

Mr. CONNELL. As I remember, the cost of the automatic promotions for the whole Customs Service was about \$600,000. To satisfy the few groups for which I am talking it would not cost more than \$200,000.

Mr. JACKSON. We are talking about this bill and the employees in the Customs Service.

Mr. CONNELL. The bill covers the whole classified service. It is said in the report of the Bureau of the Budget that it would cost about \$3,000,000.

Mr. JACKSON. I am talking about the cost in the Customs Service. How much would the increased cost be under this proposed bill?

Mr. CONNELL. I would say about \$600,000.

Mr. JACKSON. You said a few moments ago that you believe this bill had the support of the Committee on Appropriations.

Mr. CONNELL. Yes; I believe that the Committee on Appropriations will support H. R. 1073.

Mr. JACKSON. You believe that, but—

Mr. CONNELL. I believe that since I read the letter that committee has written to Mr. Ramspeck, with which letter they sent the bill to Mr. Ramspeck for consideration. I do not think the committee would have sent it if they had been opposed to it.

Mr. JACKSON. Have you had any personal expression about that?

Mr. CONNELL. No; I am simply giving you my private opinion.

Mr. BECKWORTH. The sum of \$600,000 would be for how many employees?

Mr. CONNELL. For 8,000.

Mr. BECKWORTH. How much do you calculate would be saved from that \$600,000; would it cost that completely? In the report we have before us it is said that much will be saved. The report tells us how much it would probably cost and then says that there would be a saving. Do you calculate that there will be any saving in connection with the \$600,000?

Mr. CONNELL. I calculate that the greatest saving would be by way of increased efficiency and a better protection of the revenues.

Mr. BECKWORTH. If it should cost \$600,000 a year to increase 8,000 employees, I doubt whether \$3,000,000 would hold good for 600,000 employees. In other words, there are almost a million to be dealt with, and if it costs \$600,000 to take care of 8,000 customs employees, certainly it would cost very much more than \$3,000,000 to take care of, say, 600,000 employees.

Mr. CONNELL. I know something about our own figures; but whether or not these gentlemen have made a mistake in the original figures, I do not know. I imagine that in the District of Columbia they may be near the middle grade and therefore better off than employees in the Customs Service are.

In the inspector's grade many are in the \$2,100 or \$2,200 class.

Mr. BECKWORTH. I imagine that your figures are about right.

The CHAIRMAN. The report of the Bureau of the Budget shows the contrary. It says that most of the employees covered by this are just one step above the minimum grade instead of the average.

How do you justify a request that this committee give this particular group of employees "cake to keep and then let them eat it"? The Customs employees themselves took themselves from within the Classification Act. At least they were taken out. You want to apply this to the Customs employees when it is intended only for those under the Classification Act. Are you willing to put the Customs employees back under the Classification Act?

Mr. CONNELL. Yes.

The CHAIRMAN. Do you want to repeal the Bacharach Act?

Mr. CONNELL. Yes; that would be all right with me excepting the clerks having automatic salary increases, and laborers.

The CHAIRMAN. That is all right.

Mr. CONNELL. Our salaries are based upon the P. C. B. form; and we feel confident that any qualified tribunal that might study our job descriptions would put them in the salary ranges for which we are asking.

The CHAIRMAN. As I understand, you are willing to repeal the automatic increase provisions that your employees have now.

Mr. CONNELL. Yes; excepting the clerks having automatic salary increases, and laborers.

Mr. HARRIS. Do I understand that the Customs employees were formerly under the Classification Act and they withdrew from it and went under what is known as the Bacharach Act and now they desire to return to the Classification Act?

Mr. CONNELL. That is not accurate. In 1923 the Classification Act was passed, but it classified only the departmental service here in Washington. It extended to the field only insofar as it said that the salary for the field should be comparable to the salary paid in the District of Columbia. Always our salaries have been made comparable except in these five grades that were made as they were to compare with the men nearest to them, those in the Post Office and the Immigration Service.

We did not take ourselves out of the Classification Act. Repeating, the Classification Act was written for the District of Columbia only, and there was no compelling force that even required that our salaries should be thus and so. The Committee on Appropriations did exercise a restraint in that it watched the salaries to see that they were in line with the groups in the District of Columbia.

Mr. GALE. You have told Mr. Harris that 3,500 men would come under this proposal and you told Mr. Beekworth that 8,000 men would come under it.

Mr. CONNELL. There are 8,000 customs employees in the United States, of which 3,500 are not classified, but are under the Bacharach Act. I am pleading to get the 3,500 under the automatic-salary status.

The CHAIRMAN. If the Bacharach Act should be repealed, do you know where your employees would be allocated?

Mr. CONNELL. I do not know. With my knowledge of job descriptions, I would say that we are not given any more than we are entitled to, and I think the job descriptions would give us what we are asking.

Mrs. ROGERS. Do you feel that the Bacharach Act could be fairly administered?

Mr. CONNELL. Yes; but it is unfairly administered because we do not get the money necessary to make the salary increases Congress intended. Congress would never have provided a salary of \$3,300 a year for a customs inspector unless it thought he would get it.

Mrs. ROGERS. I gather from your remarks that this is a matter of administering an act rather than the provisions of the act itself.

Mr. CONNELL. Yes.

Mr. HARRIS. You have told us that you believe the Committee on Appropriations would favor this proposal even under the certainty that the expense would be increased. Now you say that under the present law, the Bacharach Act, the Committee on Appropriations will not give adequate funds to carry it out.

Mr. CONNELL. I often think of a letter by William R. Wood, once chairman of the Committee on Appropriations, in which he said, "I think the customs employees are entitled to consideration; I think they should get an additional appropriation for salary increases." That letter was written in 1929. He further added that he did not think that was the year to do it. In the prosperous year of 1929 he did not feel that the Government could correct these injustices. All down through the years we have had those excuses—the excuses that this is not the time to correct this injustice. At the same time everybody in authority has been persistent in saying that he thought we should have this requested relief.

Mr. HARRIS. By what process have you concluded that the Committee on Appropriations would be in favor of this proposal if it cost more money?

Mr. CONNELL. I think the members of the Committee on Appropriations think by this time that it is a good time to correct all these admitted inequalities. We should have one act that is fair to everybody. I believe that the members of the Committee on Appropriations are of the opinion that these injustices should be corrected by one movement; yet there is in some quarters the thought that at this opportune time we should be shut out and not considered.

Mr. HARRIS. Was your organization active in effecting passage of the Bacharach bill?

Mr. CONNELL. We had very little influence, just as we have very little influence now. I think the controlling influence was exercised by the Secretary of the Treasury at the time the committee was appointed by the Congress and members of it went into the field, to the different ports, and inquired into conditions. Then, as I have said, industrial and commercial houses were working with us. I think all those factors put the Bacharach bill through.

Mr. JACKSON. The border patrol is within the Customs Service, is it not?

Mr. CONNELL. Yes; the members of that service have about the same status. They are allocated as inspectors.

The CHAIRMAN. There are border patrol inspectors in the immigration service, are there not?

Mr. CONNELL. There are border patrol inspectors in the immigration service and in the customs service, but I am speaking of those in the customs service.

Mrs. ROGERS. How many employees are covered by this proposal?

The CHAIRMAN. The report made by the Bureau of the Budget covered 304,646 employees.

Mr. REES. I have been trying to learn, although I was not here the day before yesterday, about how much this proposed bill would increase expenses. I have been told it would increase them about \$29,000,000 over a period of 10 years.

The CHAIRMAN. That is correct.

Mr. REES. And that would cover 304,646 employees. The witness himself has told us that to bring 3,500 customs employees under this proposal would cost about \$600,000 a year, as I understand.

Mr. CONNELL. There are 3,500 employees affected.

Mr. REES. There are 8,000 employees in all, but this would affect only 3,500. You have said, as I understand, that it would cost an additional sum of about \$600,000 to take care of the customs employees in accordance with this proposal.

Mr. CONNELL. This bill would take in 5,500 customs officers without amendments. These amendments ask that you include another 3,500 covered by the Bacharach Act, and who are not under the Classification Act. Those 3,500 would be excluded under the bill as it is written. The 5,500 plus 3,500 would cost \$600,000.

Mr. REES. Would 8,000 receive benefits under this amendment?

Mr. CONNELL. Five thousand five hundred would receive benefits if the bill is not amended. Eight thousand would receive benefits if the proposed amendments are adopted.

The CHAIRMAN. The witness means that 5,500 would be eligible for benefits under this act. If you have read the report, you will remember that it is not expected that all will get increases. Therefore it will not follow that all will get benefits.

Mr. CONNELL. That is right. Some are at the top grade and some will not meet the efficiency requirements. One must have an efficiency rating of good or better in order to get the automatic increase.

Mr. REES. Now, as I understand, it will cost \$600,000 to take care of 8,000 customs employees. How in the world are you going to get along with \$3,000,000 when you have more than 304,000 employees to deal with. It should not cost \$600,000 for the customs group or else it is going to cost many more millions than anticipated to take care of all the others.

Mr. CONNELL. I have led you astray. I remember now that my estimate of \$600,000 was based on the figure we got from the Department for our original salary increase bill, but that bill provided for an increase every year, while your bill provides for an increase every 18 months or 30 months. I would have to revise my figures.

Mr. REES. Then would you say that you do not know what it would cost?

Mr. CONNELL. I could not tell you now. I am trying to estimate to the best of my knowledge and belief.

Mr. BECKWORTH. Would you mind bringing those figures up to date, revising them?

Mr. CONNELL. They are not available to me, being in the Department.

Mr. BECKWORTH. Can we get them from the Department?

Mr. CONNELL. Yes.

Mrs. ROGERS. Is it the unanimous feeling among customs employees that the Bacharach Act should be repealed?

Mr. CONNELL. Yes. We want to get automatic increases, and there is no other way to get them.

Mr. JACKSON. How about the immigration inspectors? I understand they are within the 1928 act, also, and not included in this bill.

Mr. CONNELL. They were within the 1928 act; it is a separate bill for them.

Mr. JACKSON. It refers to the 1928 act.

Mr. CONNELL. That is the Bacharach Act.

NATIONAL CUSTOMS SERVICE ASSOCIATION,
Washington, D. C., March 14, 1941.

HON. ROBERT RAMSPECK,

Chairman, Civil Service Committee, House of Representatives.

SIR: I beg the permission of your committee to change the record of my testimony in the hearings on H. R. 1073, and other related bills, as taken by the reporter Thursday, March 13, 1941. You may remember that I presented to you personally my verbal plea to be permitted to make the correction and your generously advised me to write you my request.

In answer to the chairman's question, Are you in favor of the repeal of the Bacharach Act, I replied "Yes."

I beg permission to insert the following as my answer to the chairman's question: "Yes; all of the act excepting the clerks having automatic salary increases and laborers."

Respectfully,

GEORGE L. CONNELL,
National President.

**STATEMENT OF MISS ROSE MARY DAVENPORT, DEPARTMENT OF
STATE EMPLOYEES' ASSOCIATION**

The CHAIRMAN. The next witness this morning is Miss Rose Mary Davenport, of the Department of State Employees' Association.

MISS DAVENPORT. Mr. Chairman and members of the committee, my remarks shall be very brief. I am here mainly to support H. R. 1073; and so many things have been said in its favor that we will agree that I shall not go into any detail.

The Department of State Employees' Association is an independent association of persons employed in the Department of State, its membership including approximately one-third of the employees of the Department in Washington.

In the main, its members are in the low-income bracket.

The purpose of the association is to lend its influence to the development of a career service within the Department of State, and to give its support to any proposals that would prove beneficial to the employees as a whole.

The Department of State has two distinct branches; namely, the Foreign Service and the home service. The Foreign Service branch has a promotion system which grants an automatic yearly promotion, based on efficiency, while the home service, of which we are a part, is dependent upon the present haphazard method of promotions prevalent throughout most Government departments.

A dual promotion system of this sort is not conducive to a high morale because there is a feeling of partiality to one branch while the other branch has to depend upon whatever funds are available at the end of the year. In the case of the home service of the State Department, it means that funds have not been available for promotions except through lapses, that is, through funds remaining by not filling vacancies promptly. One promotion in approximately 7 years is all that the Department has been able to afford.

The employees are not assured of a chance of advancement to higher positions as opportunities occur. Transfers to new openings are often difficult to arrange. Officers of the Foreign Service are sometimes called in to handle important jobs that could be filled by employees of the home service. Of the positions in the Department paying over \$3,200, only 25 percent approximately are held by persons who have risen from the ranks. Therefore, with the assurance of promotion from within so uncertain, it is essential that the employees be given some incentive to do their best work.

A uniform promotion system would create a tendency to raise the morale. If funds were available for annual promotions, based on merit, it is obvious that an employee would put forth his or her best efforts to obtain a high efficiency rating and thereby be in a position for promotion. In practice, such a system would greatly enhance morale and efficiency.

The Department of State Employees' Association is willing to lend its support to H. R. 1073, approved by the Bureau of the Budget, as it appears to have a constructive tendency on behalf of the administration of the Government in general as well as the Government employees.

MR. REES. You have told us that of the positions in the Department paying more than \$3,200 each, only 25 percent, approximately,

are held by persons who have risen from the ranks. Will you please explain that? What about the remainder?

Miss DAVENPORT. The remainder of those positions are held by Foreign Service officers or people who do not come under the competitive system. When we speak of the competitive system we think of it being composed of those who have passed civil-service examinations and gone up, such as Mr. Carr did, he having attained the high office of Assistant Secretary of State.

The other positions to which the people are appointed are based mainly on experience. Somebody has a particular position that pays more than \$3,200 a year and that position is filled after examination of the civil-service records in some way. I do not know exactly how the schedule reads, but they are taken in because of a certain administrative classification.

Mr. REES. Do you mean that somebody down there is unfair and discriminates against the group you represent?

Miss DAVENPORT. No; not at all; I feel they very often think these positions should be filled by a type of person different than those in the clerical grades.

Mr. REES. That is what I have been wondering, whether it is not a matter of having a different type of personnel instead of promotions.

Miss DAVENPORT. We feel that many of these higher positions could be filled if those in the lower grades were given an opportunity. By the time one reaches eligibility for a position paying, say, \$3,200 a year, he probably would be able to fill the position satisfactorily.

Mr. REES. You feel that there is a discrimination against the person who does not have a chance to get a \$3,200 position; is that the burden of your testimony?

Miss DAVENPORT. We feel that we do not have the same opportunity as others.

Mr. REES. How many persons do you represent?

Miss DAVENPORT. I represent about a third of the general employees of the Department in Washington. In the main, I represent those who are in the low-income bracket. They are from grade 7 downward.

Mr. REES. How many are there?

Miss DAVENPORT. About 300.

Mr. REES. What salary do they get?

Miss DAVENPORT. They range from \$1,200 a year upward. Some members of our association get more than \$3,200 each a year, but they are mainly in the lower brackets.

Mr. REES. How many get \$2,000 each a year?

Miss DAVENPORT. I cannot give the exact figures, but I would judge about 30 to 50.

Mr. REES. Out of 300?

Miss DAVENPORT. Yes; probably.

Mr. REES. And the remainder get below \$2,000 each a year?

Miss DAVENPORT. They range from \$1,200 to \$2,700 each a year. That is the range of the majority of those who belong to our association. I daresay that grade 2 and 3 contain the greatest number, and those grades range from \$1,400 to \$1,600 each a year.

Mrs. ROGERS. You remember Alexander Kirk; do you not?

Miss DAVENPORT. I do.

Mrs. ROGERS. He was very much interested in what you are speaking about.

Miss DAVENPORT. That is true.

Mrs. ROGERS. He found that those employed in the Department of State as a whole were receiving very much less than those employed in the Department of Commerce; and he was very much interested in an effort to correct that unwholesome condition.

Miss DAVENPORT. That is true. We strongly feel that if we could encourage the creation of a career service it would really create and maintain a higher morale.

During the hectic times of the last 2 years we have had a great deal of trouble in trying to get proper personnel.

Mr. BECKWORTH. Is there a shortage there now?

Miss DAVENPORT. Absolutely. Practically every budget plan the Department frames calls for more help, but we have trouble in getting any more.

Mr. JACKSON. What percentage of the home-service employees are under civil service in the Department of State; have you an approximate idea?

Miss DAVENPORT. No; but we have about 1,000 or more in the Department now.

Mr. JACKSON. In the home service?

Miss DAVENPORT. Right here in the Department. I do not know the exact number of administrative positions held in this group I am speaking about, the high-paid group where the people are brought in.

Mr. JACKSON. Is the Foreign Service under the Civil Service Act?

Miss DAVENPORT. No; that is under the Rogers Act of 1924.

Mr. JACKSON. There are civil-service employees within the Foreign Service, are there not?

Miss DAVENPORT. No; I do not believe so. They come under a distinct branch.

Mr. JACKSON. The so-called career group?

Miss DAVENPORT. Yes; that is the career group.

The CHAIRMAN. Miss Davenport, I do not know whether it will help your feelings or not, but I will say that the report of the Bureau of the Budget states that in the Department of State, for the fiscal year 1939, of the 959 employees in the departmental service in Washington, 495, or 51.6 percent, were promoted during that fiscal year, which is one of the highest records in the old-line departments.

Miss DAVENPORT. To what year do you refer, Mr. Chairman?

The CHAIRMAN. The fiscal year 1939. That is shown at page 38 of the report of the Bureau of the Budget.

That is compared with 31 percent in the Department of Commerce, who received like treatment.

Miss DAVENPORT. The figures for promotions for 1938 look fairly large, I will admit, but we should remember that from 1930 to 1936 we had absolutely no promotions. Those who came in at \$1,440 each a year received the same pay through all those years.

In 1936 we were given some promotions for approximately 200 employees, provided they had not had a reallocation of any kind for the preceding year. The Department took a group below grade 5 in those underpaid positions and promoted them \$60 each in 1936.

The following year they came back and I think they did not have any money for promotions in 1937; while in 1938 we got enough money to make a few more than 200 promotions to take care of the groups that lost out. Some of them went up two grades higher to grade 7 in

promotions made during 1938. They gave promotions at the rate of \$60 a year.

In 1939 the Department tried to equalize that by at least giving one-step promotions, and that is where you get the large figure for 1939. That one figure is only representative of one promotion between 1930 and 1939.

The CHAIRMAN. I did not cite the figures for the purpose of showing that your Department did not need more promotions, but I cited them to show that the State Department had a good record for that year compared with other departments.

Miss DAVENPORT. Yes; but that was for only 1 year.

**STATEMENT OF PETER F. SNYDER, REPRESENTING EMPLOYEES
OF THE FIELD IMMIGRATION AND NATURALIZATION SERVICE**

The CHAIRMAN. The next witness this morning is Mr. Peter F. Snyder, attorney, 1000 National Press Building, Washington, D. C., representing Immigration and Naturalization employees.

Mr. SNYDER. Mr. Chairman and members of the committee, I represent only one group of employees of the Immigration and Naturalization Service and not all.

I am counsel for the Field Employees' Association of the Immigration and Naturalization Service, which includes the holders of positions below the grade of immigrant inspector, although there are some immigrant inspectors who belong to the association.

The association primarily is interested in the clerks, guards, matrons, interpreters, naturalization examiners, border patrolmen, and custodial employees.

I have been requested by the president of the association, whose post of duty is at Ellis Island, to appear before the committee. The president's name is David R. Stein.

I am not equipped with a lot of statistics concerning the number of persons who would be affected by the Ramspeck bill; but the executive board of the association has endorsed the bill and I am requested to present to you the fact of the endorsement of our association and our hope that the bill may be speedily enacted into law.

I was particularly impressed by the statement of another witness this morning, Mr. Connell, who discussed the situation of the customs inspectors as compared with immigrant inspectors and other employees of the Customs Service as contrasted likewise.

I think members of the committee may be interested in knowing that I served as clerk of the Committee on Immigration and Naturalization of the House of Representatives at the time the Bacharach bill was considered by the Ways and Means Committee and when the Reed-Jenkins Act was considered by the Committee on Immigration and Naturalization.

The Reed-Jenkins Act provides for the automatic promotion of immigrant inspectors. At the time of the completion of that study in the committee and the favorable reporting of that bill, the then chairman of the Committee on Immigration, Mr. Albert Johnson, promised definitely that a bill would be enacted for the benefit of the subordinate employees of the Immigration and Naturalization Service; but certain conditions arose to prevent the consideration of that legislation. I do not know what those conditions were.

The result was that, though immigrant inspectors were advanced from an entrance salary of \$1,600 to an entrance salary of \$2,100 each a year, and given automatic promotions, practically nothing was done for the subordinate employees in the field service of the Immigration and Naturalization Service.

The naturalization examiners were given a professional status and their entrance salary was fixed at \$2,600 a year, and they are still there after a dozen years.

The Field Employees' Association of the Immigration and Naturalization Service began to work on this matter about 4 years ago and presented various bills to the Congress of the United States. Two of them were passed by the House and one of those bills passed by the House was passed by the Senate. The one passed by both Houses was vetoed by the President for the same reasons that were advanced by the President in vetoing the bill for the customs inspectors.

The condition appears to be something like this: The Bacharach Act provides for automatic promotion of guards, clerks, and other subordinate employees of the Customs Service. Clerks under the Bacharach Act start at \$1,700 a year and have a maximum pay of \$2,100 a year. The guards start at \$1,800 and go to \$2,400 a year; but it does not provide automatic promotions for inspectors.

The Reed-Jenkins Act provides automatic promotions for immigrant inspectors, but has no reference to subordinate employees; therefore the subordinate employees in the Customs Service have a very respectable entrance salary and an arrangement for regular promotions, whereas the employees in like positions in the Immigration Service have neither. They have striven admirably for a long time to correct that condition.

It is fair to say that the administrators of the Immigration and Naturalization Service themselves have done a great deal to effect these promotions but they have been laboring under severe handicaps.

For many years personal service in the Immigration Service was provided by lump-sum appropriations. Lump-sum appropriations also covered other activities of that Service. During all those years the pressure to administer the law was so great that there was not any money available for promotion of personnel. The cost of deportations and the cost of maintenance were so high that all effort to provide funds to promote deserving employees of the Service were, unhappily, frustrated.

Even today, while they have been able to get a little money to expand the Service, still there is very little money with which to effect deserved promotions.

That condition was taken cognizance of by the Committee on Appropriations of the House of Representatives in the act of 1939 and certain moneys were ordered to be changed in their application so that \$50,000 was made available for promotions in the field service for that fiscal year.

Before that occurred there were employees in the various grades who had had no promotions for years and years. I am speaking of the field service only, please remember.

So you have in this report prepared by the Bureau of the Budget a showing that 924 field employees of the Department of Labor were promoted, 884 within grade, in that fiscal year.

That one item of \$50,000 gave clerks, guards, interpreters, and matrons one-step promotions of \$60 each. Some of those had not been promoted for 12 or 15 years.

I have with me a letter from the Chief of the Administrative Branch of the Bureau of Immigration and Naturalization which I should like to place in the record. It shows the restrictions operating on promotions. It explains in a rather technical way, just what can be done toward promotion of an employee. As I read it, it amounts to this: An employee having a salary of \$3,200 or above who on June 30, 1940, had not had a promotion since June 30, 1935, which is 5 years, may be promoted.

An employee with a salary of less than \$3,200 a year, who has not had any promotion since June 30, 1937, up to June 30, 1940, may have a promotion. I think this letter might be of interest to the committee.

The CHAIRMAN. Without objection, it will be made part of the record.

Mr. SNYDER. It reads as follows:

UNITED STATES DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
Washington, March 10, 1941.

Mr. PETER F. SNYDER,
Attorney and Counselor at Law,
1000 National Press Building, Washington, D. C.

DEAR MR. SNYDER: This is to acknowledge receipt of your letter of February 21, 1941, transmitting a communication received from Mr. David R. Stein, president, Field Employees' Association, Ellis Island, New York Harbor, which appears to report a resolution by the executive board of the Field Employees' Association requesting that the same be utilized for salary increases of the lower-paid field personnel.

In answer to your inquiry as to whether any restriction operates to forbid the increase in salary of an employee who may have had a promotion since June 30, 1937, you are advised that, in keeping with the intent of the Appropriations Committee, the Bureau of the Budget recommends adherence to the following policy with regard to within-grade salary increases:

"1. The amounts to be available for within-grade salary advancement, within each appropriation unit, shall be saved from turn-over, vacancies, and other savings in the cost of personal services, without anticipating any deficiency in the appropriation concerned, and shall in no case exceed the maximum amount computed on an annual basis for within-grade salary advancement which has been determined by the Bureau of the Budget to be available.

"2. If funds are available as indicated in item 1, all employees who are eligible for within-grade advancement by reason of efficiency rating or record, and who are covered by the following formula, may be granted one-step within-grade advancement:

"A. Eligible employees in grades having a minimum salary of \$3,200, or above, who, on June 30, 1940, have not had a promotion since June 30, 1935.

"B. Eligible employees in grades having a minimum salary of less than \$3,200 who, on June 30, 1940, have not had a promotion since June 30, 1937."

Sincerely yours,

LEMUEL B. SCHOFIELD,
Special Assistant to the Attorney General.
By W. H. WAGNER,
Chief, Administrative Branch.

Mr. MOSER. Is not that what the Committee on Appropriations provided for under unexpended appropriations?

The CHAIRMAN. That is in connection with the appropriation bill for this year.

Mr. SNYDER. That is an ad interim arrangement by the Committee on Appropriations or something recommended by it.

I have a letter received only a few days ago from my association and signed by guards and matrons of Ellis Island. It shows some of the conditions and circumstances of their employment. It shows for one thing that many guards and matrons have served a long time without promotion.

You have testimony that the guards in the Customs Service begin at \$1,800 a year. Immigration employees, and to a certain extent naturalization employees, working right alongside the Customs employees, in the same ports, they being well acquainted, are working at different but comparable jobs, and yet the Customs clerk gets \$1,700 a year as an entrance salary under the Bacharach Act and he may be promoted to \$2,100 a year automatically; while a clerk in the Immigration Service starts at \$1,260 and waits and waits and waits for years and years for an opportunity to advance. Taking that into consideration, you have a very ardent demand for such legislation as is before you this morning.

Mrs. ROGERS. Why do you think there is such a discrimination against the employees of the Immigration and Naturalization Service?

Mr. SNYDER. I would not call it that. It is just an unfavorable circumstance.

Mr. Albert Johnson, then chairman of the House Committee on Immigration and Naturalization, promised Representative Miller of Seattle in my presence when the Reed-Jenkins bill went through that he would take up legislation for clerks, guards, and so forth of the Immigration Service, because he knew conditions and wanted to remedy them; but nothing developed.

The Bacharach and the Reed-Jenkins Acts passed about the same time.

The administrators of the Immigration Service have striven admirably to provide funds, but they have been under pressure to spend their money for other functions of government.

Mrs. ROGERS. Has it gone to those in the higher brackets?

Mr. SNYDER. No. There seem to be some instances that give that appearance, but there has not in fact been any discrimination.

Mr. BECKWORTH. Do you feel that the passage of the pending bill will effect equity between the employees you represent and the employees of the Customs Service?

Mr. SNYDER. I do.

Mr. BECKWORTH. That would be very satisfactory?

Mr. SNYDER. Yes. As a matter of fact, they have striven in a very friendly way to remedy their conditions.

I do not think of anything more about which I can inform members of the committee. I think you have a condition and circumstance confronting you.

I had a talk with a member of the Civil Service Commission a couple of years ago when our bill was vetoed by the President, and at the time I talked to him I knew the message of veto had probably been written by the Civil Service Commission; and he said they were going to work out something for the benefit of field-service agencies of the Government. I said to him, "Yes; of course, you talk, but when are you going to start; you have not done anything for even one of them when you had a chance. You can't do everything for everybody at one time, but it would be well to help one group if you could do so." He did not like that and he disagreed.

In October 1938, under the authority of the Classification Act, the Secretary of Labor authorized the beginning of a survey for the classification of the field-service positions in the Bureau of Immigration and Naturalization. It took a year and a half to complete that survey, and it cost the Government thousands of dollars. I do not know how much it did cost. It was completed about the time the Immigration and Naturalization Service was transferred from the Department of Labor to the Department of Justice. The results of the survey went to the Bureau of the Budget from the Department of Labor and the Bureau of the Budget sent them over to the Department of Justice. They remained there for a while and were amended and improved in view of changing circumstances and were sent back to the Bureau of the Budget last December. There they rest.

I have tried my best to learn what they are going to do and when, but I cannot learn anything. I have asked Hon. William H. McReynolds to help me, and he has also inquired of John Blandford about the matter, but I cannot get any information whatsoever.

A member of the Committee on Appropriations promised me only a little while ago that this classification of the field service as authorized by statute will be investigated by his committee with a view to its completion.

Mr. REES. You have spoken about a discrimination between the employees of the Immigration and the employees of the Customs Service.

Mr. SNYDER. No; I did not call it a discrimination.

Mr. REES. You say they do practically the same work side by side and yet the rates of pay are different. I have been under the impression that the qualifications in those two services were very much unlike. I have been under the belief that the qualifications for the Customs Service are somewhat higher than for the Immigration Service.

Mr. SNYDER. I am sorry that you have been very much misinformed. I did not say that the duties were anything but comparable or similar. The duties in the two services vary, and some work requires superior ability and other work does not require it. For instance, I do not know how we could compare a verifier, an opener, or a packer with an interpreter in the Immigration Service.

Mr. REES. I am just trying to follow your comparison when you say that these employees work side by side and do similar work and yet the pays are different.

The CHAIRMAN. I understood you to say that in reference to the laborers.

Mr. SNYDER. Yes; the custodial employees.

The CHAIRMAN. What is the condition in regard to the laborers?

Mr. SNYDER. They all claim they are underpaid.

The CHAIRMAN. What is the comparison between a laborer in the Immigration Service and a laborer in the Customs Service?

Mr. SNYDER. I think the laborer in the Customs Service has a statutory provision covering his pay.

The CHAIRMAN. He starts at \$1,500 a year.

Mr. SNYDER. I have not the exact figures, but I would not be surprised to find them paying \$1,000 or \$1,100 a year for a laborer in the Immigration Service.

The CHAIRMAN. What about clerks in the Immigration Service?

Mr. SNYDER. They start at \$1,260.

Mr. REES. I had always thought that the qualifications in the Customs Service were higher than those in the Immigration Service.

Mr. SNYDER. I will not concede that, because I do not believe it is true.

Mr. REES. I am just asking for your opinion.

Mr. SNYDER. I do not think it is true.

Mr. JACKSON. As I understand, you are representing the employees of the Immigration Service below the grade of inspector?

Mr. SNYDER. Yes.

Mr. JACKSON. Are all of those within the Classification Act of 1923?

Mr. SNYDER. They will be if and when the 1923 act is extended to them.

Mr. JACKSON. They were not excluded; you are not offering any amendment to the pending bill to include them, are you?

Mr. SNYDER. No.

The CHAIRMAN. The original Classification Act passed in 1923 applied to the departmental employees in Washington only. By various devices that act has been extended in many cases to field employees, and in the Civil Service Extension Act of last year we authorized the President to extend it to field employees. There are still some who have not been classified as to salaries.

Mrs. ROGERS. How many do you think would be affected by this act?

Mr. SNYDER. I do not know. The Immigration Service is growing rapidly; a few months ago it had about 4,000 employees. Due to the Alien Registration Act, the act of June 28, 1940, the service has expanded considerably.

Mrs. ROGERS. The Bureau of Immigration and Naturalization is very important, particularly today.

Mr. SNYDER. I feel that way about it.

Mr. MOSER. What contrast would you make between those you classify as guards, laborers, and so forth in the Immigration Service and those who are similarly classified but have an entirely different function under the Customs Service? In the Customs Service where they open packages and shipments for inspection they are referred to as packers, and that is no function of the Bureau of Immigration, and Naturalization Service.

Mr. SNYDER. That is right.

Mr. MOSER. I have had quite a lot of experience in seeing packages opened and repacked. They were opened for inspection. Of course I was familiar with the type of work they were doing in the Customs Service; and now I am wondering whether you have anything like that in the Immigration Service.

Mr. SNYDER. I have no acquaintance with the functions of the Customs Service; but in the Immigration Service the most important employee is, of course, the inspector. He is the person who must know the law and attempt to apply it accurately. The statute gives the immigrant inspector the primary authority to admit or exclude.

Then we have the naturalization examiner who must consider whether an applicant for citizenship is eligible to be presented before the court with a recommendation for admission to citizenship. Then we have the border patrolman who—

Mr. MOSER. Those people are above the fellow who opens, examines, and repacks packages in the Customs Service.

Mr. SNYDER. Yes.

We have in the Immigration Service the interpreter, who is a person of very great importance, because he must be able to interpret accurately. Then there are the clerks, the guards, and the matrons, each of which has a very important function. In fact, in the Immigration Service the more superior clerks are of great assistance to the inspectors. In many cases the clerks are members of boards of special inquiry that admit and exclude aliens, in association with the inspectors.

The guards convey deportable aliens, insane, tubercular, and dangerous persons from penitentiaries and almshouses to ports of deportation.

I have an entire schedule of the duties of guards and matrons, which duties are very important.

As for a laborer, he is a laborer wherever he may be.

Mr. MOSER. What labor work has the Immigration Service?

Mr. SNYDER. It operates ferryboats; it has to take care of building structures; it has to paint and repair; it has engines to take care of; it has refrigerating devices and heating plants that must be taken care of. That work is done by custodial laborers.

The CHAIRMAN. You are getting into the Classification Act now. If they do that, they should not be classified as laborers.

Mr. MOSER. That is the point. I have not seen any laborers in the Immigration and Naturalization Service. The nearest approach to one, to my mind, is a guard or a matron.

Mr. SNYDER. A laborer is one who cleans up the plant and takes care of the equipment. They do not handle merchandise.

Mr. MOSER. They function in a Government plant?

Mr. SNYDER. Yes.

Mr. MOSER. And that would be in the custodial service?

Mr. SNYDER. Yes.

STATEMENT OF JOHN E. SLATER, PRESIDENT OF THE UNITED STATES CUSTOMS INSPECTORS' ASSOCIATION OF THE PORT OF NEW YORK

The CHAIRMAN. Let us hear Mr. John E. Slater, president of the United States Customs Inspectors' Association of the Port of New York, next.

Mr. SLATER. Mr. Chairman and members of the committee, on behalf of the United States Customs Inspectors' Association of the Port of New York, an organization composed of inspectors of customs at the port of New York, I respectfully ask the approval for automatic promotions for the positions of inspectors and guards in the Customs Service.

On May 29, 1928, the Bacharach Act was passed by both Houses in Congress. It was signed by the then President of the United States of America, Calvin Coolidge.

It was intended by the passage of this act to give automatic salary increases to all those customs employees who came within the scope of this mandate. With but one exception, and that exception is the clerks, very few of those other groups in the act received any benefits of salary increases. Almost 13 years have gone by since this act became a law, and a great percentage of this group are receiving the minimum salary. The man just entering the Customs Service and

working within the scope of the Bacharach Act is almost equal to the man who has been 25 or 30 years in the Customs Service.

The average salary of the customs inspector at the port of New York since the passage of the Bacharach Act has actually declined over \$100 per annum.

History: The Customs Service is the oldest activity in the United States Government. It is older than the Treasury Department itself. The act creating the Customs Service was passed July 31, 1789. The act creating the Treasury Department was passed September 2, 1789, 33 days later.

Salary history of inspectors, port of New York

Jan. 1, 1834.....	\$1,095 per annum.
Jan. 1, 1864.....	\$1,460 per annum.
Jan. 1, 1903.....	\$1,825 per annum.
July 1, 1910.....	\$1,460, \$1,825, \$2,190 per annum.
July 1, 1924.....	\$2,000 to \$2,600.
July 1, 1928.....	\$2,100 to \$3,600 (highest paid was \$3,200).
June 1, 1930.....	\$2,594 average salary.
June 1, 1934.....	\$2,497 average salary.
Jan. 1, 1939.....	\$2,432 average salary.
Jan. 1, 1940.....	\$2,493 average salary.

The Customs Service is the first line defense in peace as well as in war. In the last war, the first overt act against Germany was struck by customs men with the seizure of German shipping. Today our men are constantly on the alert against the smuggling of propaganda and the entrance into the country of foreign agents. The cost involved in the additional increases which we are seeking would be only a fraction of the cost of a new submarine or army unit which would very likely become obsolete in a very few years. By giving these increases we would make the merit system worth something and at the same time strengthen the national defense.

Salaries of inspectors of customs, port of New York

Grades authorized under Bacharach Act, approved May 29, 1928	Number of inspectors in each grade			
	June 1930	June 1934	January 1939	January 1940
\$2,100.....	31	114	143	76
\$2,200.....	96	85	43	61
\$2,300.....	11	16	62	9
\$2,400.....	17	12	33	153
\$2,500.....	28	25	21	12
\$2,600.....	138	111	69	21
\$2,700.....	24	15	24	66
\$2,800.....	15	23	23	16
\$2,900.....	111	67	26	22
\$3,000.....	0	5	16	34
\$3,100.....	0	0	0	0
\$3,200.....	1	3	1	1
\$3,300.....	0	0	0	0
Station inspectors:				
\$3,000.....	45	33	27	15
\$3,100.....	6	3	1	13
\$3,200.....	0	0	1	1
\$3,300.....	0	4	0	0
\$3,400.....	0	0	0	0
\$3,500.....	0	0	0	0
\$3,600.....	60	0	0	0
Total.....	583	516	490	500
Average salary.....	\$2, 594	\$2, 497	\$2, 432	\$2, 493

During the last 35 years the average salary received shows an increase of only 37 percent. In the same time comparative outside employment has received increases of 300 to 400 percent.

The administration of the tariff law is beset with difficulties and problems. The inspector is a most vital part of the complicated machinery established for its execution and in the scheme of organization, the first line of defense of the revenue itself.

His duties as an inspector are varied and complex. He is the visible customs law of the maritime world. His duties lead him to supervision over all vessels coming to these shores and trains, airplanes, and all other vehicles arriving from foreign contiguous territory. Inspectors have supervision of all vessels coming into their districts; they board vessels arriving from foreign ports and certify to their manifests and other papers; they superintend the discharge of cargoes and the delivery thereof; examine the baggage of arriving passengers, see that proper duties are collected thereon, and the baggage rightly disposed of; inspect and superintend the shipment of merchandise exported for benefit of draw-back and goods for exportation or transportation in bond; they examine vessels to see if properly documented; in the discharge, release, and delivery of cargoes they have absolute control of the proper handling and disposition of the merchandise, allowing nothing to be delivered to the carrier until properly permitted and all customs requirements complied with, all samples secured, and the required packages sent to the appraiser's stores for examination; they must see that trucking of examination and bonded goods is promptly done by properly bonded truckmen or lightermen; they must properly dispose of cargo not permitted; they must see that sea stores of vessels are correctly listed and cared for; they have general supervision of all lading of cargoes, particularly of bonded or draw-back merchandise; they must search vessels and prevent smuggling in every phase; enforce many navigation laws and regulations of the Department of Commerce; enforce narcotic statutes and those of the Department of Agriculture controlling animal and vegetable imports.

New duties are constantly being added by amended regulations and by Treasury decisions; they must prepare numerous reports and keep proper records of all the business they conduct. They examine, appraise, and collect duty on merchandise brought in by members of a crew; weigh, measure, and gage dutiable merchandise which oftentimes requires the highest technical skill and the utilization of Government labor under their supervision for the greatest efficiency possible and with the least cost to the Government. The inspector carries out the provisions of the neutrality laws and innumerable varied tasks, often under the most trying conditions. Since the advent of the European war during September 1939 and the passage of neutrality legislation by Congress, the customs inspectors have had to take over many additional duties and responsibilities, thereby greatly increasing their usual duties; and these tasks have to be performed day and night to protect the United States against violations of the Neutrality Act that might lead to involvement. He must be alert, active, vigilant, honest, intelligent, with quick and correct judgment and a mind and memory full of details which must not be forgotten or overlooked.

It is not an encouraging picture for an inspector who has examined the baggage of some returning resident, and who may have been the means of adding much revenue to the Government on a single seizure,

to leave the pier and, while doing so, pass the longshoreman who is trucking the baggage of the passenger to an outside conveyance and then reflect that he is earning considerably less money for his day's work than is the longshoreman who is merely performing the mechanical act of pushing the truck.

In conclusion we wish to submit an extract from the report of the Treasury Department to the Committee on Ways and Means dated May 18, 1937, in which the Acting Secretary of the Treasury states as follows:

Employees of the Customs Field Service other than clerks have served without promotion for such a long period of years that they have become greatly discouraged. This lack of material recognition for loyal, faithful, and satisfactory service destroys the morale and retards the initiative of the personnel. It is particularly true of a large class of Customs Field employees—customs inspectors—who are required to work side by side with immigration inspectors who receive much higher salaries, even though they may have served for a much shorter period of time. This is due to the annual promotions received by immigration inspectors under the act of May 29, 1928 (U. S. C., 1934 ed., title 8, sec. 109). Immigration inspectors in many instances receive \$400 a year more salary than customs inspectors. There are instances where immigration inspectors, without any supervisory duties, receive higher salaries than customs officers in charge who have supervision over all the inspectors and employees at their port * * *.

NATIONAL CUSTOMS SERVICE ASSOCIATION AMENDMENT TO H. R. 1073

The amendments offered are as follows: After line 20, on page 3, insert the following new subsection:

"(g) The provisions of this section shall apply to all employees included under subsection (b), (d), (e), and (f) of section 1 of the Act of May 29, 1928, Public, No. 575, as amended."

On page 3, line 21, strike out "(g)" and insert "(h)".

Make the following changes in section 4:

On page 4, after line 19, insert the following new subsection.

"(b) Section 1, subsection (e), of the Act of May 29, 1928, Public, No. 575, Seventieth Congress, as amended, is hereby amended to read as follows:

"(c) Inspectors of customs \$2,100, \$2,200, \$2,300, \$2,400, \$2,500, \$2,600, \$2,700.

"Senior inspectors \$2,700, \$2,800, \$2,900, \$3,000, \$3,100, \$3,200, \$3,300.' "

On page 4, line 6, insert "(a)" after the words "Section 4."

STATEMENT OF FREDERICK T. DUMMER, PRESIDENT OF THE CUSTOMS GUARDS ASSOCIATION OF THE PORT OF NEW YORK

The CHAIRMAN. Let us hear Mr. F. R. Dummer, of the customs guards of New York.

Mr. DUMMER. Mr. Chairman and members of the committee, H. R. 1073, one of the bills now before you for consideration, provides for one step-up after each 18 months, provided the employee is in the \$60 or \$100 grade, and also provided that said employee has attained an efficiency rating of good or better.

Further study of the effects of the provisions of the proposal before you, that is, H. R. 1073, has made evident the fact that the need of properly rewarding efficient service among all employees is not taken into consideration by the scope of the measure as submitted. It makes no provisions for the personnel who come within the scope of the Bacharach Act, namely, verifiers, openers and packers, customs guards, inspectors and station inspectors, who, when the Bacharach Act, passed by both Houses in Congress on May 29, 1928, and signed by the then President of the United States of America, Calvin Coolidge,

anticipated annual salary increments. Their responsibilities have increased but their increments have decreased. Thirteen years have gone by since the Bacharach Act became a law and over 50 percent of this group is receiving the minimum salary.

The new man, just entering the Customs Service and working within the scope of the Bacharach Act, is practically on the same salary basis as the veteran of 25 years or more of Customs Service.

Without extra compensation for such, we have an annual outlay of approximately \$100 for uniforms, and so forth.

Since the advent of the European war, and the passage of neutrality legislation by Congress, the customs guards and inspectors have had to take over many additional duties and responsibilities, thereby greatly increasing their usual duties; and these tasks have to be performed day and night, and under the most trying conditions, in order to protect the United States against violations of the Neutrality Act, that might lead to involvement.

The customs guards and the inspectors must at all times be alert, active, and vigilant in order to cope with the unscrupulous whose intent is to smuggle contraband, narcotics or other prohibited and unmanifested articles into the United States, and this alertness and vigilance must be applied to all exports as well.

Gentlemen of the committee, I hope in your deliberations that you will correct this unjustifiable situation.

In conclusion, and in order to record the loyalty of the customs guards and inspectors, I ask that I be permitted to have inserted in the record of these hearings a copy of a resolution which was presented to the Commissioner of Customs in Washington and to the collector of customs at the port of New York.

The amendments offered are as follows: After line 20 on page 3, insert the following new subsection:

"(g) The provisions of this section shall apply to all employees included under subsection (b), (d), (e), and (f) of section 1 of the Act of May 29, 1928, Public, No. 575, as amended.

On page 3, line 21, strike out "(g)" and insert "(h)."

Make the following changes in section 4:

On page 4, after line 19, insert the following new subsection.

"(b) Section 1, subsection (e), of the Act of May 29, 1928, Public, No. 575, Seventieth Congress, as amended, is hereby amended to read as follows:

"(e) Inspectors of customs \$2,100, \$2,200, \$2,300, \$2,400, \$2,500, \$2,600, \$2,700.

"Senior inspectors \$2,700, \$2,800, \$2,900, \$3,000, \$3,100, \$3,200, \$3,300."

On page 4, line 6, insert "(a)" after the words "Section 4."

RESOLUTION

In view of the present grave danger to the United States of America and in view of the present peril to the American way of life and in order to do our share in providing for the common defense of our country and our homes, be it resolved by the United States Customs Inspectors Association of the Port of New York and the United States Customs Guards Association of the Port of New York in joint meeting assembled:

That in order to effectively combat "fifth column" activities, espionage, and sabotage in the port of New York, and in order to be actively prepared to combat the possibility of parachute troops landing at metropolitan airports;

That the inspectors and guards at the port of New York offer their services as a unit of 1,000 uniformed, armed men to form a semimilitary unit under the command of the Commissioner of Customs through the Collector of the Port of New York;

That we believe we are particularly well qualified to undertake these duties in view of our long and varied experience with ships and shipping, with the waterfront area, and with all the air fields in the port of New York;

That we freely offer our time outside our official hours of duty to acquire all necessary skill to efficiently perform these duties which we gladly undertake as our share of the national defense.

JOHN E. SLATER,
*President, United States Customs Inspectors Association,
Port of New York.*

FREDERICK T. DUMMER,
*President, United States Customs Guards Association,
Port of New York.*

JUNE 19, 1940.

STATEMENT OF MRS. MARGARET HOPKINS WORRELL

Mrs. WORRELL. Mr. Chairman, and members of this committee, my name is Mrs. Margaret Hopkins Worrell and I represent the League of the American Civil Service and appear in favor of the Ramspeck bill H. R. 1073.

I am pleased to note that employees' organizations are apparently in agreement upon this bill, approved by the Budget Bureau, which, upon favorable report by your committee, appears likely to be enacted into law.

For the past 10 years our organization has advocated annual automatic promotions regardless of efficiency ratings. Our reason for the elimination of the efficiency ratings was and is based upon the favoritism shown in rating employees.

If your committee contemplates making any change in H. R. 1073 before reporting it to the House may I suggest that on page 2, line 4, after the word "quarter", insert "regardless of efficiency ratings." And in line 5, add "(c)" and the words, "Thereafter the foregoing shall apply," and so forth. In line 23, page 2, cut out "(c)".

The above change will afford a small increase in the salaries of those employees in the low brackets who have worked faithfully for some 5, 10, and 15 years without any additional compensation in their meager salaries. This would give them great encouragement and heighten the morale of the entire service, which has been demoralized through the continued promotion in the higher brackets from \$200 to \$500 per annum while the low salaried employees remained in status quo. I hope this bill becomes law as it will be of great benefit to the service.

Reference having been made to the "Classification Act", permit me to say that, in my opinion, it is one of the finest pieces of legislation ever enacted by the Congress. Its improper administration, however, eventually resulted in the abolition of the "Personnel Classification Board" and the duties thereof being transferred to the Civil Service Commission. "Persons" instead of "positions" were allocated, and even at this late day, many employees have not been properly allocated to the positions assigned them. Some of the rules of the Commission may conflict with the act, but the act should prevail.

STATEMENT OF M. P. ALIFAS, INTERNATIONAL ASSOCIATION OF MACHINISTS

The CHAIRMAN. The next witness is Mr. M. P. Alifas, of the International Association of Machinists.

Mr. ALIFAS. Mr. Chairman and members of the committee, I am president of District No. 44, of the International Association of

Machinists, and also chairman of the legislative committee of the Metal Trades Department of the American Federation of Labor.

I am speaking to the committee this morning primarily in my capacity as chairman of the legislative committee of the Metal Trades Department of the American Federation of Labor; and the group in whose behalf I am interceding is composed of different members of shop crafts.

We are interested primarily in H. R. 3306, which the chairman was kind enough to introduce in order to get it before the committee.

We urge that this bill be enacted into law as a sort of belated gesture for this worthy group of employees.

I happened to have been here in 1922 and 1923 when the Classification Act was going through the Congress, and I participated rather energetically in an attempt to keep all the shop crafts and mechanical trades from coming under the purview of the Classification Act.

The net result of these efforts was that the bulk of these employees were kept from the purview of the Classification Act. Two groups were included, but they should not have been included. They are the mechanics, the shop-craft employees, in the custodial service, and those mechanics who are assistants to scientists.

In view of the fact that the Classification Act covered only the employees in the District of Columbia, these people were a very small minority, only about 400 or 500 being involved.

The principal reason for keeping the mechanics from without the Classification Act was, as we felt, to safeguard the navy yard in Washington primarily, and also to safeguard the interests of the employees in the Government Printing Office and the Bureau of Engraving and Printing, and, indirectly, should the Classification Act be extended throughout the country, to safeguard those outside the District.

Out of an approximate 600,000 employees, which I understand the Classification Act to embrace, there are, according to civil-service records, about 22,000 who are mechanics and laborers, shop-craft employees, in the custodial service throughout the United States.

I am sorry that I cannot give an estimate of how much this proposal would cost.

The element of cost seems to be very important in the minds of gentlemen of the committee. I wish I could give the members of the committee a formula whereby increases in pay could be effected without the use of money.

Mrs. ROGERS. How much of an increase would there be among the group you are representing?

Mr. ALIFAS. I will give you an idea of how much it will involve. The employees in the custodial service, for whom I speak, they being the mechanics, are in grade 6, and their salary ranges from \$1,680 to \$2,040 each a year, in accordance with the act of July 5, 1930.

The bulk of those employees are working at the minimum rate. I was surprised to learn that, and it was substantiated by what Dr. Smith, Director of the Bureau of the Budget, said here the day before yesterday, out of all the employees under the Classification Act the general average is a little below the rate next above the minimum; therefore the top rates, the fifth and sixth grades above, are slightly used.

Only 1 percent of these employees have reached the top rate.

In this group they are getting \$1,680 each a year, whereas if they had worked in the navy yards and the arsenals during this period, they would be receiving about \$2,200 each, if they were at the top rate.

In the navy yards there are three rates of pay, the maximum, the intermediate, and the lowest, and the grades vary 6 cents an hour.

The minimum rate of pay for a machinist here is 94 cents an hour, and the average hourly rate of these employees in the custodial service is 73.4 cents an hour, this being a difference of 20.6 cents. That is if they get the minimum in the navy yard. If they got the top rate they would get \$1.06 instead of 73.4 cents an hour.

Mrs. ROGERS. I believe that the personnel in the navy yards and arsenals has been very much increased during the last few years incident to our national defense program, has it not?

Mr. ALIFAS. Yes; very much.

Even with the present scale in the navy yard, which is higher than the scale afforded the group for which I am speaking, the navy yards are not able to get enough qualified men at present scale.

Mr. COFFEE. As I understand, the scale of wages paid in navy yards and naval stations is below the rate of pay paid for like service in private industry.

Mr. ALIFAS. Yes; that is right.

Mr. COFFEE. How are they going to induce the private employee to go to work for the Government when there is such a demand on the outside and at better pay?

Mr. ALIFAS. Qualified mechanics can get so much more by going into private industry that it is increasingly difficult for the Government establishments having to do with national-defense matters to get properly qualified men.

What is going to happen with the group employed in the custodial service is, if they cannot get proper relief, that they will go into private industry and make real money by engaging in national-defense work, which is regarded as a patriotic duty.

The CHAIRMAN. You would not say that a navy yard is not engaged in national-defense work, would you?

Mr. ALIFAS. No; I am speaking of people in the custodial service. They are not now engaged in national-defense work; and if they should quit their jobs at \$1,680 each a year and get jobs paying the navy-yard scale of \$2,200 a year, they would be engaged in national-defense work and get more money for their efforts.

Mr. COFFEE. Skilled workers who are properly qualified in the crafts are in very great demand outside at present, as we all know.

Mr. ALIFAS. Yes. These men have had to undergo apprenticeships and they are really qualified to do good and important work.

Again referring to the cost, what this would cost is the amount these people have been sacrificing each year by staying on their jobs, and that is much more than paying taxes. We are always talking about the taxpayer, and he, truly, is an important man. I think we would be benefited by the increase in taxation to a limited extent because it would spread some purchasing power around the country and increase the opportunity to make further profits out of the turn-over of this vast amount of money expended by the Government.

Even increases in taxes does not mean a dead loss to the taxpayer, because he gets it back in various ways.

Mr. REES. A moment ago you suggested that the machinists and other craftsmen in the navy yards received much lower pay than like employees on the outside. That has come about rather recently, has it not? The wages paid here in the navy yards were not so far from those paid in private industry before the last two or three years when we embarked upon this national defense program; is that right?

Mr. ALIFAS. Yes; that is right.

Mr. REES. It should be understood that if there is a difference it has become effective recently and because of the Government trying to effect a very large national defense program as rapidly as practicable.

Mr. ALIFAS. I believe that is a fair statement.

Mr. REES. You have spoken about the sacrifices of these employees who were receiving \$1,680 and \$2,040 each a year. In what manner have those men been sacrificing; have their wages been lower than they would have been on the outside?

Mr. ALIFAS. Yes; decidedly so. An electrician or a machinist in the custodial service at \$1,680 a year, has the opportunity, and he has had it during the last 2 years, of going out and getting a position in comparable work where he would get \$500 a year more than he is getting.

He may be and have been foolish in failing to do so. Anyway, we all know, according to our experience with human nature, that men like to stay where they are; that nobody likes change and travel in search of fortune, certainly after he becomes mature. Those men prefer to stay in their jobs and perform their duties properly in the hope that the employers will eventually see the justice of their claims and satisfy them. Those for whom I speak have great hope that the members of this committee and the Congress will do something favorable in connection with this bill.

Mr. REES. Did those men feel that way about it 3, 4, or 5 years ago?

Mr. ALIFAS. We always have to talk about the present; because the past is dead.

Mr. MOSER. Is it not a fact that the men for whom you plead, who are getting a minimum wage in comparison with wages paid by private industry, are getting time and a half for overtime?

Mr. ALIFAS. No; that is not true. These are per diem employees. They are not entitled to any overtime whatsoever if they work beyond scheduled hours.

The clerks work 39 hours a week, and the mechanics work 8 hours a day for 5 days and 4 hours on Saturday, making 44 hours a week. They come under the law that governs the employment of mechanics, but they come under the clerical force when it comes to pay. We feel that they should be lined up with the mechanical force both as to hours and pay due to the fact that they are on a per diem basis and not entitled to overtime.

Mr. MOSER. Do you say that the class of labor you define as machinists are not receiving any overtime?

Mr. ALIFAS. That is right.

Mr. MOSER. I have had them come to my office and tell me they get time and a half overtime and they can work all of it they want.

Mr. ALIFAS. You are referring to those employed in the navy yard, are you not?

Mr. MOSER. Yes.

Mr. ALIFAS. In the navy yards they do get overtime; but I am not referring to those employees.

Mr. MOSER. Who are those who assist scientists?

Mr. ALIFAS. They are mechanics employed in the Bureau of Standards and in the experimental division of the Department of Agriculture. They are assisting scientists in making different kinds of instruments for weighing, testing, and measuring materials.

In the case of the Department of Agriculture they are testing the possibilities of further preserving fruits and vegetables, and they have to employ apparatus to do that. These mechanics make that 'apparatus. That makes them assistants to scientists, who are trying to improve methods of food preservation.

The law does not always embrace all the features of a case it is supposed to cover. The amendment of 1923, excluding these two groups, was more or less a hurried move. It was done in conference. We did not think that adequate consideration was given to the matter; therefore these employees have suffered a disadvantage in pay all these years.

Mr. MOSER. Let me refer to these machinists who had a low efficiency rating and were dropped by the navy yard and then offered employment by the American Can Co. and the Crown Cork & Seal Co. in Baltimore. Were they sacrificing when they called on Congressmen to protest against what they said was an unjustifiable dismissal?

Mr. ALIFAS. I want to say again that I am not talking about navy yard employees.

Mr. MOSER. But you are talking about machinists.

Mr. ALIFAS. Yes; but I am talking about the custodial employees who take care of public buildings. Those machinists are sacrificing \$500 each a year by continuing in their present jobs at their present rates of pay when there is opportunity for them in navy yards. Again, I am speaking of the employees in the custodial service.

Mr. MOSER. Do you know a single instance where a man sacrificed \$500 a year by staying on a Government pay roll during the last 2, 3, 4, or 5 years? Do you know anybody who made a sacrifice by doing that; what is your answer?

Mr. ALIFAS. I would say that all those who are working for \$1,680 each a year as mechanics in the custodial service are sacrificing \$500 each a year by staying there instead of going to the navy yards or into private industry.

Mr. MOSER. You think they are making a sacrifice?

Mr. ALIFAS. I think they are. A man who is married and getting only \$1,680 a year has to possess a wife who is a magician to make ends meet while living here in Washington. I am sure it would be hard to live on \$1,680 a year here in Washington if one had a wife.

Mr. MOSER. Is he fair to his wife and true to himself if he stays on such a job?

Mr. ALIFAS. Such a man is so imbued with confidence that he believes, when the matter is properly brought to the attention of the Congress, the Congress will rectify the condition.

May I now turn to H. R. 1073? I believe in supporting our fellow trade-unionists of the American Federation of Government Employees in their desire to get this bill enacted into law. I think it is a vast improvement over existing legislation.

I should like to cite an instance in which mechanics have been unfavorably affected and the national-defense program has been unfavorably affected by the provisions of the existing Classification Act.

We have in the arsenals a trade known as tool designers. A tool designer has to plan tools with which munitions may be made. Those tools cannot be made until they are designed, and it is impossible to produce munitions until those tools are turned out.

Mr. COFFEE. Is that the same as a pattern maker?

Mr. ALIFAS. No. A pattern maker makes the pattern for molds.

Mr. COFFEE. Is a tool maker the same as a tool designer?

Mr. ALIFAS. No. A tool designer is like an architect, he plans, while the tool maker is like the stonemason or the bricklayer. The tool designers were a bottleneck in the arsenals, and they could not proceed with production without tool designers. They were held down by the requirements of the Classification Act plus a provision in the Army appropriation bill for the fiscal year 1941, approved June 13, 1940, reading as follows:

Sec. 5. The total amount used on an annual basis for administrative within-grade promotions for officers and employees under any appropriation or other fund made available in this Act shall not exceed the amount determined by the Bureau of the Budget to be available for such purpose on the basis of the Budget estimate for such appropriation or fund exclusive of new money in any such Budget estimate for such administrative promotion.

The Budget in construing that language found in the particular instance of the group concerned—they came in a group where the pay roll amounted to \$14,400,000—the Budget found that they could promote only out of savings from that. The amount of savings for the year amounted to \$7,460.

This appropriation of \$14,400,000 was for paying the salaries of approximately 20,000 employees. Therefore, on the basis of \$100 a year increase they could only increase 74 persons out of the 20,000. They could not increase all tool designers.

Mr. SHERIDAN. What percentage consisted of tool designers in that group?

Mr. ALIFAS. A very small percentage; perhaps 100 tool designers is an overestimate.

If they had taken all the money out of the \$14,400,000, they would not have had enough to promote tool designers sufficiently to secure their services as they needed more.

Mr. SHERIDAN. What does a tool designer do and what increase would be adequate to compensate him?

Mr. ALIFAS. The rates run from \$2,000 to \$2,900 each a year. Many of them are receiving the intermediate rate; some are receiving the minimum rate. The mechanics of the thing is that all these employees have drifted to the lower rate to the extent that the general average of the entire service is a little below the next rate above the minimum in each grade.

There are 14 grades in the Classification Act, and each one has 6 or 7 rates and they overlap. If you add them and get the general average of where people are allocated, you will find that they are at the bottom in their respective grades.

The CHAIRMAN. If you will look at page 24 of the letter from the Director of the Bureau of the Budget, which letter is in printed form, you will see the set-up of different grades and steps in each grade.

Mr. ALIFAS. Yes.

In connection with H. R. 1073, I should like to suggest an amendment to cover a feature of the efficiency system, as follows:

Amend H. R. 1073 on page 2 in line 25, by striking out the period after the word "Act", inserting a colon, and adding the following:

Provided, That in the case of employees whose efficiency mark is based upon a system under which the percentage mark assigned does not represent relative efficiency (compared to the highest mark given) but represents principally the relative standing of employees on a list for separation or retention purposes, a separate notation shall be assigned each employee showing whether such employee's efficiency is "good" for promotion-in-pay eligibility.

This bill states that no employee shall be increased or promoted unless his efficiency is good. For most of the service there is a rating system which accurately reflects as to whether an employee's efficiency is good. Each one is given an efficiency rating and that shows whether, in the opinion of the management, he is good, excellent, or satisfactory.

In some services, like the navy yards, we have an efficiency system in which the term "good" does not necessarily mean good in efficiency. There is an efficiency marking system under which the average must be 82.5. About 40 percent of the employees have to be allocated between 80 and 85 and above that or 30 percent of the employees who range up to 100. From 80 percent down they are graded down to 70 percent, with the provision that if an employee is unsatisfactory he shall be assigned a rating of 65 percent. That is an automatic way to show he is unsatisfactory and unless he improves he must be discharged.

Suppose there are 100 employees in a shop and they are substantially all alike in efficiency, there is not 1 percent difference in their efficiency. This system requires that one should have a rating of 100 and another shall have a rating of 70; and 30 percent shall be below 80 percent. Under that system an employee has to be up to 80 in order to be considered good. Theoretically it would be possible for all employees to be so nearly alike that there would not be 1 percent difference in efficiency, yet under this bill 30 percent of the employees would not be entitled to promotion because they had not reached 80 percent.

That would be a multiplication of promotion up above that, but it would not apply below 80 percent.

I would not urge you to change the efficiency system. As was aptly said here a few days ago, the efficiency rating systems always have been unsatisfactory, but they are less unsatisfactory now than heretofore.

Referring to my suggested amendment of H. R. 1073 I would say that on page 2, line 25, strike out the period after the word "Act", insert a colon, and add the following:

Provided, That in the case of employees whose efficiency mark is based upon a system under which the percentage mark assigned does not represent relative efficiency (compared to the highest mark given) but represents principally the relative standing of employees on a list for separation or retention purposes, a separate notation shall be assigned each employee showing whether such employee's efficiency is "good" for promotion-in-pay eligibility.

If you will permit me to do so, I should like to insert this [indicating] chart showing in a graphic way the difference in rates of pay between the custodial service and the navy yard employees in the different classifications.

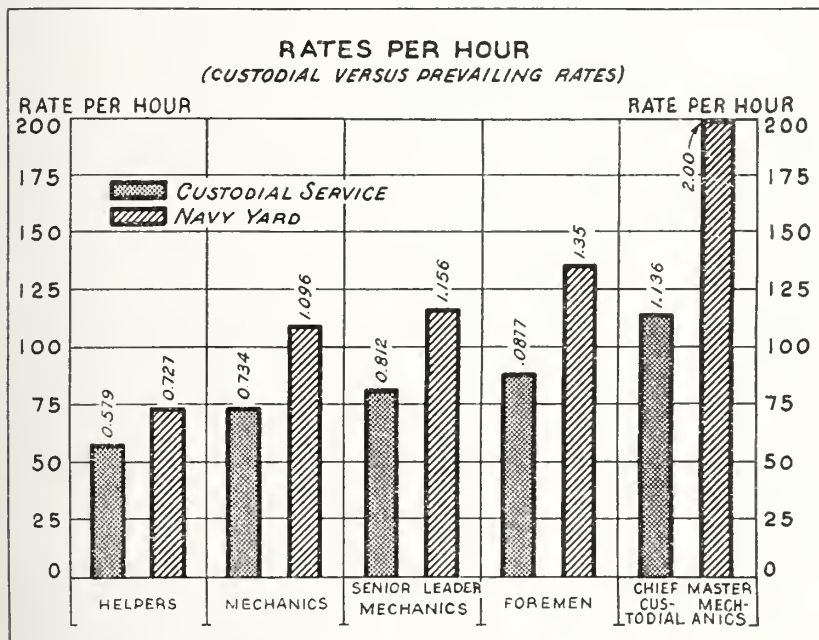
The CHAIRMAN. We shall be glad to see what we can do about it.

Mr. ALIFAS. I know it is difficult, in view of the rule concerning printing.

Also, I should like to insert this [indicating] statement by custodial employees showing the general line of important work they do and the responsibility connected therewith.

(The statement is as follows:)

At the time of the inception of the classification law the difference between the wage paid to the mechanics in the navy yards, arsenals, also custodial service, and the mechanics in outside industry all compared very favorably, but in the ensuing years due to the rigidity of the classification law wage schedules, plus a lack of understanding on the part of those in charge of the administration of these schedules to the recognized trades and crafts, the mechanics under the above law were forced to accept the same wage year in and year out, while the wages of the same type of men doing exactly the same type of work under the same conditions



steadily climbed due to the natural laws of supply and demand or by union negotiations in outside industry or United States Government establishments whose mechanics were excluded from the above law as afore-mentioned.

At the time of the classification law passage the Government buildings had but simple heating plants, ventilation was provided by only a few slow-speed fans which were manually controlled. Even at best, the electrical equipment was all low voltage with very little or no automatic controls. But in comparison, the Government buildings of today that are operated or maintained by the mechanics under the custodians, even the smaller ones, are truly temples of mechanical science, for in them is found mechanical and electrical apparatus that are, indeed, miracles of human ingenuity and without these facilities these gorgeous architectural masterpieces would be as inert corpses, useless and dead. They would be untenable to the hundreds of thousands of Government employees that are scarcely aware that such valuable and complicated machinery is even in existence. To illustrate the above statement a brief account of the major equipment that is being constantly operated, repaired, installed or maintained by the mechanics that the American Federation of Labor is representing here today is as follows:

High pressure steam is received via large piping which must be reduced to the building working pressure and distributed to all parts of the buildings for heating, processing, and cooking.

Refrigerating machinery used for air conditioning, drinking water cooling and food preservation; large complicated air-conditioning machinery and equipment that combines the use of both steam heating and refrigeration.

Electrical equipment consisting of miles of high- and low-voltage cables or wires, high-voltage transformers, oil-circuit breakers, heavy horsepower motors, synchronous type and slip ring, that drive the air-condition refrigerating machinery of the air conditioning, and other high-voltage motors of large capacity used to provide special electrical services, thousands of lower-voltage motors as needed in the air conditioning and ventilating of the structures, and other motors as found on pumps, fans, generators, doors. Other important electrical units are fire-alarm layouts, automatic controls of all kinds, motion-picture and sound-recording equipment.

The plumbing systems, in the main, consist of thousands of feet of brass, steel, or iron piping, also sanitary piping; failure of which would endanger health.

The present-day elevator equipment is equally a miracle of the electrical and mechanical crafts that operate, automatically, at high speed, start and stop themselves, open and close their doors, but not until exactly even with the floor, accelerate from a standstill to a speed of 600 feet a minute and back to a standstill quickly without jar or sensation to its passengers and doing this without change fully loaded or empty.

The above account of but a small part of the over-all equipment necessary to the operation of these large structures may tend to cause the structures themselves to be overlooked, also the parts played by the carpenters, the stonemasons, plasterers, tile setters, painters, in maintaining the buildings in a sound and serviceable condition.

Of no less importance is the machinist craft as all other crafts depend more or less on this craftsman for various operations as required in the several trades and crafts.

The operation and repair of these structures are but one phase of the duties of the recognized trades and craftsmen employed under the buildings custodians.

Modern equipment is being constantly improved or revised and we, the so-called maintenance crews, promptly become construction crews when new installations or removal work is required. This phase of our work puts us on an equal basis with our brother mechanics in private or regular construction, but for which he draws a wage that is approximately, in the Washington area, 2.4 times that drawn by the custodial mechanics, both doing the same kind and quality of work.

Long accounts could be written in proof of the above statement but need of brevity forces curtailment. We will, however, be glad to answer any questions.

Washington tradesmen, or building trades counsel mechanics per annum salary equals approximately \$2,860 for 40 hours a week, or a total of 2,080 hours a year at approximately \$1.375 per hour.

Washington Navy Yard mechanics per annum salary equals approximately \$2,196, also 40 hours a week or a total of 2,040 hours a year at \$1.056 per hour.

The mechanics in the classified service (custodial) per annum salary is \$1,680, but for 44 hours a week or 2,288 hours a year at approximately \$0.734 per hour.

This is extremely unfair and constitutes exploitation and if such a condition existed in outside industry, a strike would have developed in a hurry if it was allowed to go uncorrected.

The President has said we cannot strike, therefore it is up to the Congress to bring this justification of a strike to an early end.

The reading of the foregoing differences of wage scales all applying to men of the same type doing the same kind of work under the same conditions, except that the classified mechanic must work 208 hours a year more, but receives a wage that is \$516 a year or \$13 a month lower compared with navy yards fully justifies the correction of this injustice.

H. R. 3306 will do just this and nothing more. No new wage scales will be set up; no new conditions are being inaugurated, but an injustice of 18 years' standing will be brought to an end.

Using the Civil Service Commission figures, which were estimated, the mechanics under the classification law total approximately 22,000 and represent but approximately 7 percent of the total of the 185,000 employees working under the manual and trades occupations in the United States Government. The remaining 163,000 have always enjoyed the higher wage level.

The total number (approximately) of men and their standing is given herewith. The schedules show the present rate per hour of the custodial mechanics in comparison with the Washington Navy Yard—

Type of mechanic	Approximate number (custodial)	Present hourly rate based on annual salary	Washington Navy Yard rates for comparable mechanics
Helpers.....	6,547	\$0.579	\$0.727
Journey men.....	7,851	.734	1.096
Specialists.....	3,709	.812	1.156
Foremen.....	3,091	.877	1.35
Chief.....	710	1.136	2.00

The above numbers of men affected includes field and departmental service.

Navy yard mechanics enjoy overtime rates. Custodial mechanics have no overtime provisions, though forced to work in emergencies.

Navy yard mechanics are on 40 hours a week; custodial on 44 hours a week.

MR. ALIFAS. I should like to remark that I think this request of the custodial employees is very modest and just. They are picking the navy-yard scale as the one they think they should have. They might have requested the scale in effect at the Government Printing Office or the Bureau of Engraving and Printing, which scales are much higher. On the other hand, they might have selected the building-trades schedule here in town, which calls for \$1.375; but they have been content to stop at the navy-yard scale.

We submit that this group of worthy employees was debarred from the wage board system of fixing rates of pay in 1923. If they are to be taken from under the Classification Act, and I hope they will be, they will be given a status so that they will have some place to lie, and we think the navy-yard scale is the appropriate one; and we hope you will give earnest consideration to our request.

THE CHAIRMAN. We thank you very much for your interesting statement, Mr. Alifas.

Let the record show that Mr. Joseph S. McDonagh, secretary-treasurer of the metal trades department of the American Federation of Labor, appeared before the committee with Mr. Alifas in connection with H. R. 3306.

Inasmuch as it is now 11:50 o'clock, it will be impracticable to hear another witness; and the committee will adjourn, to meet tomorrow morning at 10 o'clock.

(Thereupon, at 11:50 a. m., Thursday, March 13, 1941, the committee adjourned, to meet at 10 a. m., Friday, March 14, 1941.)

UNIFORM SALARY INCREASES

FRIDAY, MARCH 14, 1941

COMMITTEE ON THE CIVIL SERVICE,
HOUSE OF REPRESENTATIVES,
Washington, D. C.

The committee this day met at 10:10 a. m., Hon. Robert Ramspeck, chairman, presiding, for further consideration of H. R. 1073 and other bills, including H. R. 625.

STATEMENT OF HON. JENNINGS RANDOLPH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

The CHAIRMAN. The committee will please come to order. We are going to hear first this morning from our colleague, Mr. Randolph, the author of H. R. 625.

Mr. RANDOLPH. Mr. Chairman and members of the committee, I do appreciate very much the opportunity of discussing H. R. 625 this morning.

I should like to say at the outset that this is not a new subject with me. During the last several years I have been trying, as have others, to effect some automatic salary promotion bill in behalf of Federal workers, realizing that there have been discrepancies within the various groups of workers, and I feel that this important subject should certainly at this time be presented to the committee for thorough hearing.

In these days of emergency and national defense it is essential that the employees of our Federal Government constitute a working force that is absolutely impregnable. My experience with Government workers is that they are hard-working people, loyal to our Government in every way.

It is necessary for us in Congress to do what we can to see that the morale and spirit of these Government workers is maintained at a high level, because their work is vital and at all times and today it is more important than ever. As I have said, our Government workers are loyal; and I do not believe that any bill of itself will make them more loyal; but I believe that the provisions of H. R. 625 and other measures aimed at the same end would tend in that direction.

The efforts of our Government workers being especially vital at this time have caused me to sponsor this measure.

This is not new legislation; I have presented it before in the Congress.

The Committee on Appropriations of the House has recognized the need for some uniform pay raises and in 1939 it directed the Director of the Bureau of the Budget to make a study of pay raises.

As was shown when the Director of the Bureau of the Budget was here, it has taken practically 2 years for the Bureau of the Budget

to bring in recommendations on this subject; which would indicate a muddled condition in this respect in the Government. That delay is indicative not only of the muddled condition which exists with reference to pay raises in the Government service but it also indicates the need for a simple, clear policy, such as is provided by H. R. 625.

The Bureau of the Budget report reveals three outstanding reasons why a bill setting up an automatic within-grade pay raises system is imperative. First, we have a condition wherein employees do not have an automatic promotion law, and no uniform policy has been followed; and it has been difficult to get approval for specific amounts of money to be used for salary increases. At the last session of the Congress effort was made to secure money for promotions not required by law coming from savings, notably lapses.

Secondly, employees in the upper grades have better opportunities for reclassification and transfer to new jobs and better paying jobs than have the employees in the lower grades of work. I think that has been brought out quite vividly by several witnesses here.

Thirdly, instead of a concentration of within-grade raises for low-grade employees to counteract this situation, the Bureau of the Budget found that 61 percent of the employees in the \$60 annual raise group were still at the beginning salary of their grade, and only 54 percent of those in the \$500 annual raise grouping were at the beginning salary of their grade.

When the Bureau of the Budget went over figures to determine percentages of employees at the top salaries of the grades, it found that only 1 percent of the employees in the low-paid groups—those with \$60 a year within-grade raises—had reached the top salary of their grades; but 18 percent of those employees in the \$500 yearly increase group had reached the top of their grade.

What is the answer? I am not saying that H. R. 625 is entirely the answer; but I believe it is founded on a basic fact and if the Bureau of the Budget had not made certain recommendations this bill might have had to stand on its own merits; but there is supporting evidence, not especially for H. R. 625, but generally on the subject in line with what the chairman has introduced.

I believe at least a partial answer is to be found in H. R. 625, and I do not believe that H. R. 1073 entirely fulfills all that is to be desired.

First of all any new pay raise plan to be used to the greatest beneficial extent must be understood by the employees themselves. They must have confidence in such a program. H. R. 625 is a simple and direct bill which gives every employee with a satisfactory service record a pay raise every year until he reaches the top of his grade.

The other reason is that Congress has failed to appropriate new money for salary increase programs that are not mandatory and automatic for employees under the law.

The plan contained in H. R. 625 is automatic and the raises must be given each year.

I should like to review the provisions of my bill very briefly. It amends the Classification Act of 1923, section 7, to provide that each employee shall automatically be raised to the next higher salary rate of his grade after a year of satisfactory service. This is a simple provision that every employee can understand and which will be logical for him since appropriations are made on a yearly basis and efficiency ratings are given out on a yearly basis.

The need for administrative discretion is recognized in the provision on page 1, lines 10 and 11, providing that increases may be withheld from not more than 10 percent of the employees of a department on the ground that the employee's efficiency fell below the standard necessary for effective administration.

This places the responsibility for employee performance upon the administrators. They must see to it that the right employees are appointed for the job and that efficient employees are retained and others shifted to jobs for which they are better suited.

Provision is made for those employees who reach the top of their grade and are unable to get reclassified. Page 2, lines 4 to 11, state that after an employee has been at the top of his grade for 5 years, he shall be given a \$120 raise and shall receive \$120 increases for each additional 5 years.

The average clause, which the Bureau of the Budget has recommended be eliminated, is prohibited by lines 12 through 14, page 2.

Reclassifications are permitted under the terms contained in lines 15 to 21 of page 2. This is necessary, as omitting might lead to a ruling which might prohibit reclassifications.

Section 2 of the bill provides that when an efficiency rating is appealed to the board of review, then the current ratings and written reports upon which the ratings are based shall be open for inspection by the representatives of the board, employees of the department, and the employee representative.

Lines 12 through 15, page 3, provide that—

Reductions in compensation and dismissals for inefficiency may be made by heads of departments in all cases wherever efficiency ratings warrant, subject to the approval of the departmental board of review.

I do appreciate the courtesy that has been afforded me to appear in behalf of the measure I sponsor.

I want to reiterate that the answer to this problem is not entirely in my measure. I want to see the committee do something at this session of the Congress to effect a proper solution of a very vexing problem that has existed already too long in the Government service.

The CHAIRMAN. Do you want to say anything about H. R. 626?

Mr. RANDOLPH. Yes.

That is to increase the compensation of employees in the Federal service, and to establish a minimum annual rate of pay of \$1,200. The bill simply goes into the compensation of the grades; and first we have a subprofessional service and the custodial service; and there are certain reasons why I think such a bill has merit. I do not believe I need discuss this bill at length, because it speaks for itself. The meat of the bill is to establish a minimum annual rate of pay of \$1,200 for a Federal employee.

I do not believe I have anything further to say.

The CHAIRMAN. If there are no questions, we thank you, Mr. Randolph, very kindly for your interesting statement.

STATEMENT OF GEORGE E. TOLMAN, UNITED STATES IMMIGRATION-NATURALIZATION OFFICERS' ASSOCIATION

The CHAIRMAN. The next witness this morning is Mr. George E. Tolman, counsel and Washington representative of the United States Immigration-Naturalization Officers' Association.

Mr. TOLMAN. Mr. Chairman and members of the committee, the United States Immigration-Naturalization Officers' Association has authorized me as its Washington representative and counsel for many years to give its unqualified approval of H. R. 1073 to you and your committee, and to express the hope that this proposal to amend the Classification Act in a way to provide some assured promotional program for civil-service employees will be favorably considered and so reported and eventually passed by the Congress. Our association is one formed from the ranks of immigrant inspectors originally in 1923 at a time when that particular group of civil-service employees was very much embarrassed by a multiplicity of pay groups and no scheme whatever for promotion.

Eventually we added to our membership the positions of immigration border patrol inspectors, naturalization examiners, and officials from the higher supervisory grades of the service.

I believe we represent in that range the good, organized opinion of the service.

Our association in endorsing H. R. 1073 is mindful of the fact that immigrant inspectors as beneficiaries of a special salary act are not within the scope of this promotional program that is contemplated by H. R. 1073. However, our immigration border patrol inspectors and the naturalization examiners and those in the supervisory ranks would, we believe, benefit either actually or potentially, by the terms of H. R. 1073 upon its enactment, as the action under Chairman Ramspeck's act of 1940 when classification is extended to the field.

In these positions most of them have been considered under the Brookhart amendment of 1930 to the Classification Act and have their compensation adjusted to certain levels.

In the condition of 1923, and before, our field group of immigrant inspectors went through quite a time of agitation. They were victims of lump-sum appropriations whereby officers were on at least 2 fiscal years furloughed to make up deficits instead of the obligations of the pay roll being honored.

We had some 18 rates of prevailing pay ranging from \$1,800 to \$2,000. There was no assurance whatever of promotion in any direction, either based on a scheme of seniority, ability, or the post occupied in the inspector ranks, and the merit of our claims was recognized sufficiently by the House Immigration Committee and the Senate Immigration Committee later in a way to bring out, it seems to me, many of the points aimed in your present bill; namely, that any effort to merely grade salaries as in the Classification Act of 1923, which applied only to the District of Columbia, without providing an incentive by way of a promotional program, was apt to leave a very lifeless condition and do little good to the employees concerned, except immediately upon the effectiveness of the act some pay raises might be granted. Experience has borne that out since 1923.

The immigrant inspectors who benefited under their own measure of May 29, 1928, were raised eventually to pay levels ranging from \$2,100 to \$3,000, and they now find themselves at an average of about \$2,500, whereas before the enactment of the promotion and salary grade bill they averaged about \$2,000.

That was a modest measure, but the experience gained in administering it over 13 years may be of influence upon gentlemen of the committee.

We have always advocated that any scheme of grading positions that did not contemplate a mandatory promotional program—that would insure to deserving employees at stated intervals modest promotions—was a rather useless piece of machinery.

It seemed to me always that the Classification Act has been a good deal like one of our finest automobiles on the open road with a powerful engine and yet no gas.

We have had about 17 years' experience with the Classification Act to enable us to form that sound opinion.

I feel that your committee will do a very good service to all the Federal civil-service ranks, both in the field and in the departmental service, if it favorably considers and reports H. R. 1073.

In the report of the Bureau of the Budget, which you have before you at page 34, in the last paragraph, I find this language:

Comparison of the data for field and departmental services again reveals that the field employees have had decidedly fewer opportunities for promotion than have departmental employees. In the field service 28 percent of the employees received promotions in the fiscal year 1939. By contrast, 39.5 percent of the employees in the departmental service received promotions.

My comment on that is that it is an additional reason for field employees to take an interest in the bill; and to point out also that inquiry by your committee may bring out that there have been disparities in other fiscal years than 1939.

In conclusion, we want to give our wholehearted support and endorsement to the provisions of H. R. 1073, and recommend it most favorably to your consideration.

The CHAIRMAN. If there are no questions, we thank you kindly for your statement, Mr. Tolman.

Mr. TOLMAN. I thank you gentlemen for hearing me.

STATEMENT OF MILTON FISHER, FEDERATION OF ARCHITECTS, ENGINEERS, CHEMISTS, AND TECHNICIANS

The CHAIRMAN. The next witness is Mr. Milton Fisher, vice president of the Federation of Architects, Engineers, Chemists, and Technicians, C. I. O.

Mr. FISHER. Mr. Chairman and members of the committee, our organization has given considerable thought to H. R. 1073 as well as to H. R. 625.

We are in general agreement in principle with the principle set forth in both bills. We believe, however, that there are a number of chances for improvement of H. R. 1073, and they ought to be considered by this committee.

Our organization of approximately 6,500 technical men, located at the Brooklyn Navy Yard, the Pearl Harbor Navy Yard, the Washington Navy Yard, the Alexandria (Va.) torpedo station, the departments in Washington, and the Bureau of Reclamation in Denver.

I want to give you some of our experience in the last few years insofar as our negotiations, particularly with the Navy Department, are concerned. For 5 years the federation has negotiated with various agencies, including the Navy Department, Bureau of Reclamation, United States Housing Administration, the Bureau of Standards, pointing out the inadequacy of pay and its danger insofar as establishing a technical and professional staff of the highest quality in the

Government is concerned. We have from time to time received the hearty support in principle of these agencies, and their statements upon our representation of their desire to see a system of automatic salary increases rather than the present undefined, inconsistent policy with the result of inequalities and lack of uniformity.

In the past, in spite of lower salary standards, technical and engineering personnel had been attracted to the F. C. S. because of the opportunities it offers for public service in the construction of the many Government projects and benefits derived in the technical research.

While it is true also that within recent years a large number of men of high caliber have been attracted to Government service because of the instability and lack of employment outside, this situation is rapidly changing and salaries paid technical men in the Government lag far behind those paid in private industry.

This condition has particularly been accentuated during the last 6 months or since the defense program has gotten well under way.

It is a truism today that the bottleneck of production is in the technical field. Research must be carried on; plans must be prepared; research must be carried on tests before construction takes place. The dangers of draining the Government of technical engineering talent is obvious when comparisons are made between rates of pay in the Government and in private industry.

Our Brooklyn Navy Yard chapter has painstakingly prepared charts showing the inequalities that exist between rates paid by such firms as Babcock and Wilcox, the New York Shipbuilding Company, Federal ships, and the Brooklyn Navy Yard for comparable work.

In Detroit the Society of Designing Engineers reports \$1.85 minimum hourly rate and \$2.21 an hour for tool and gage designers, or \$2,300 a year, is paid for tool and gage designers.

The graph that has been prepared by our association shows as much as from 10 to 40 percent difference in wages paid for comparable work in our line in the Government service and by private industry.

We find that a gentlemen's agreement has been resorted to by the Navy Department and the Maritime Commission in order to hold men who have better offers. The amount of turn-over is surprisingly large in the War Department, Quartermaster Corps.

The reason is not far to see with no established policy on annual raises. Men work from 3 to 5 years without any increases whatsoever.

The Bureau of the Budget investigation shows that 22 percent of the employees of the Department of Commerce, 19 percent of the employees of the Navy Department, 9 percent of the employees of the Maritime Commission, and 16 percent of the employees of the Interior Department have not received raises during the last 3 years. In the Department of Interior the greatest part of the technical men are employed in F. W. A.

We believe that both these bills carry forth the principle of automatic salary increases. There are, however, a certain number of flaws in H. R. 1073.

First of all, we have the important consideration of efficiency ratings. That is particularly true in the Navy, which has a system of efficiency rating which does not allow a man to get a proper rating. If there are three men with ratings of excellent in a certain department, all three of them have to be graded on an average basis so that only one may actually receive a rating of excellent. The others must receive average.

Mr. MILLS. Is that the present system?

Mr. FISHER. Yes.

The efficiency-rating system being used as a basis for annual increment raises leaves the matter all to the discretion of the department heads to say whether or not a man shall receive a raise.

I believe it is the feeling of all Government agencies that this right to increase should be a vested right rather than a discretionary matter.

We do not feel that the efficiency-rating system should be thrown out; we feel that there should be a means of appeal from the awards in making efficiency ratings, and that right would be accorded by H. R. 625.

Moreover, H. R. 625 would grant salary increases to all excepting 10 percent. It is possible for 10 percent not to receive increases if their services are not satisfactory. We feel that such a division between satisfactory and unsatisfactory employment is the only basis upon which these increment raises should be given or withheld from Government employees. That limit will be held by the provisions of this bill.

We further feel that H. R. 625, as presented now, does give an opportunity for annual raises rather than raises at 18-month intervals.

Some governmental departments have a satisfactory system of annual increment raises based upon efficiency ratings and recourse for appeal against those ratings. Notably among such organizations is the United States Housing Administration, which has already put into operation, through efforts of various employee organizations, such a system. To change that system from an annual to an 18-month system, we feel, would work a detriment to the employees. In other words, we favor the system of an annual rather than an 18-month period for increases.

Our organization is in favor of the principle set forth in both H. R. 1073 and H. R. 625, but we feel that the features of H. R. 625 have a number of advantages over the provisions of the bill recommended by the Bureau of the Budget.

The CHAIRMAN. We thank you very much for your statement, Mr. Fisher.

STATEMENT OF CRAIG VINCENT, WASHINGTON INDUSTRIAL UNION COUNCIL, CONGRESS OF INDUSTRIAL ORGANIZATIONS

The CHAIRMAN. The next witness this morning is Mr. Craig Vincent, representing the Washington Industrial Union Council.

Mr. VINCENT. The Washington Industrial Union Council, as you probably know, is the delegate body for all unions in town, including Federal workers unions and industrial unions of the C. I. O.

The council wants your committee to know that, in view of rising rents in the District of Columbia and rising costs of living, which have been called to our attention by practically every Government agency that is collecting information in regard to this subject, including the Bureau of Labor Statistics and the Consumers' Division of the Department of Agriculture, we feel such legislation at this time is imperative to insure the Federal workers, workers of the Federal Government, such purchasing power as is necessary to keep up their rather low standard of living.

As a matter of fact I think many persons are under the impression that workers are paid high wages. There are some Government

workers who are so paid; in numbers quite a few, but the vast majority of Government workers are relatively low paid.

Those who live in Washington do so in a community that is notorious for its lack of adequate housing facilities and they pay rents that could certainly and conservatively be deemed exorbitant.

The CHAIRMAN. I agree with you regarding the rent condition in Washington. It think it is almost sufficient to warrant criminal prosecution.

Mr. MOSER. Do you agree on the tax situation?

The CHAIRMAN. Perhaps we would better not go into that subject.

Mr. VINCENT. Of course, there are other workers in the city of Washington who are dependent upon their jobs with private industry and whose wages are directly reflected by two things; first, the fact of the total purchasing power of the community, which has a large part of it in the form of salaries for Government workers; secondly, on the fact that they lack organization, which is something we hope to take care of.

The purchasing power of Government workers directly affects the living standards of other workers in this community.

One more thing—it is our belief that the Federal Government ought to be the model employer; that we cannot expect private industry to lead the pace so far as wages are concerned.

Mr. RANDOLPH. When you mention the Government being the model employer, I should like the record to show that I think the Federal Government, through its Civil Service Commission and other agencies, for years, and perhaps now, has failed in its obligation to give to the older workers the opportunity to go into employment, simply turning them aside due to an age bracket and not taking into consideration their qualifications and experience and even the results of examinations which those persons have passed, showing that they are abundantly qualified to do a job.

I do not know whether you will agree with me on that or not.

Mr. VINCENT. That is true. Recently there has been some relaxation of the age prohibition, due to the national-defense program.

Mr. RANDOLPH. In other words, private industry says that if the Government will not take these older men and women, those who have passed, say, 40, why should it take them.

Mr. VINCENT. That is true. The Government has followed that policy until fairly lately.

There is no reason why older workers, who are properly qualified to do a job and who are seeking jobs, should not be given the same consideration as others in a peacetime economy as they are given in a war emergency.

The CHAIRMAN. One of the chief reasons for that is an act by the Congress itself, namely, the retirement act, which provides that one shall not be retired with an annuity unless he shall have served 15 years. There have been further restrictions placed upon that by certain agencies for reasons they think sufficient, but which may be debatable. Anyway, the chief reason for age limitations is the retirement act.

Mr. MILLS. I am interested in the statement of the gentleman that certain groups did not fare so well because of the fact that they are not organized, and he added the statement that "we hope to take care of that." What did you have in mind when you said that? I did not catch the significance of it.

MR. VINCENT. A study of labor statistics shows that wages paid workers in private industry are highest in those industries that are organized. As a matter of fact the raising of wages of one group of workers in the country, in an industry, raises other wages of workers in that industry, because of the fact that your whole wage structure is dependent upon the welfare of any group in the structure. That is particularly applicable to the individual concern of private employees. That is what I referred to.

I think that in many cases the administrative officers refuse to grant pay raises because the retirement rates are based upon the classification and pay which the individual is getting. I think there are many examples in the Federal service which show that those who are hit hardest by the lack of pay raises, based upon good service, are the older workers who are discriminated against. Many of those men have worked for a decade or more without any pay increase.

THE CHAIRMAN. I am very much interested in your statement that pay raises have been denied on account of their effect upon the retirement act. Have you any proof of that?

MR. VINCENT. No. The figures show that very many workers have not been increased in pay after many years of satisfactory service, and that causes me to reach such a conclusion, which I believe to be sound.

THE CHAIRMAN. I never heard such an argument before; and if you have anything further concerning that matter, I shall be glad to have it.

MR. VINCENT. Our organization is affiliated with the C. I. O.; and the Washington council is giving its full support to H. R. 625, which we think is by far the better bill.

MR. HARRIS. You have commented on the difference in employment in private industry and the Government. Is there a provision, to your knowledge, in private industry for automatic increases in wages?

MR. VINCENT. No; but in private industry an organization of workers and resultant collective bargaining can result in better pay when it is justified. The Government workers are in a different situation, they cannot strike, while workers in private industry may.

MR. MILLS. Is the C. I. O. opposed to customs employees being included in this proposal?

MR. VINCENT. I do not know. I shall have to refer that question to Miss Nelson, who will make a statement later.

MR. REES. A moment ago you were comparing wages in private employment with wages paid for like service by the Government, and you stated as your opinion that the Government should lead the way in fixing wages. I believe that you stated the Government employees are receiving much lower pay than those doing comparable work on the outside. Has that been true all through the years or is that something that came about recently? If I am not mistaken, 3 or 4 years ago the wages paid by private industry did not equal the wages paid by the Government for like service? Your statement might lead one to believe that the Government workers have always been underpaid compared to the workers in private industry.

MR. VINCENT. Many classifications of Government workers, including more than a majority, are, in my opinion, grossly underpaid.

MR. REES. We are talking comparatively. How about 3 or 4 years ago when things were more normal?

MR. VINCENT. I do not know what "normal" means now.

Mr. REES. Go back 3 or 4 years and compare the wages paid in private industry with the wages paid by the Government.

Mr. VINCENT. I think in the field and custodial services of the Federal Government the wages paid to large groups of workers in the low grades were lower than many of the classifications we found in private industry.

Mr. REES. Was the work comparable?

Mr. VINCENT. Yes; it was.

Mr. REES. You want us to understand that, as a general rule, the Government has underpaid its employees compared to wages paid by private industry.

Mr. VINCENT. I do not think that is true. One has to consider particular occupations when making such a comparison.

Mr. REES. I am taking your broad statement and trying to analyze it.

Mr. VINCENT. The facts concerning that are available, but I do not have them.

The CHAIRMAN. I think you are dead wrong about that. I think the truth is that in the low-paid positions the Government pays more than private industry. I know that is true of typists, stenographers, telephone operators, and positions like those.

Mr. BECKWORTH. Is not that pretty well reflected by the fact that when the Civil Service Commission announces an examination, there are many, many more applicants for the examination than there are jobs available? Is it not a fact that the people generally simply clamor to get Government jobs?

Mr. MILLS. I think this hearing should be confined to the bills before us.

Mr. VINCENT. Some of the clerical operations in the field pay only \$960 a year.

The CHAIRMAN. I think it would be unfortunate to lead the employees of the United States to believe that to be true. I do not think that facts will bear it out. I do not believe that anybody will say that I have not been friendly to Government employees; and yet I know from my experience in private business and my contact with those in my own district that I am constantly getting complaints from employers that we, the Government, pay stenographers and typists and employees of those categories too much above the scale paid by private employers.

I do not say we are paying them too much, but I am saying that we are paying them, in my judgment, more than they get for like work in private employment.

Mr. REES. I do not know whether the pay is too large or too small. I understood from what the gentleman has said that, in his opinion, Government employees receive less than do employees in private employment for comparable work.

Mr. VINCENT. The Federal Government at the present time is having great difficulty in getting stenographers, if I am not mistaken.

The CHAIRMAN. That is unquestionably true in regard to men stenographers. I do not know of any shortage of women stenographers.

Mr. VINCENT. I think, as a matter of fact, the Government is taking men stenographers because it cannot get enough women stenographers.

The CHAIRMAN. That is not my understanding. They are trying to get male stenographers for special work in the War Department, as I understand. The Civil Service Commission is holding examinations for stenographers and typists very frequently; and I have not heard of any difficulty in getting women stenographers. At the last examination there were approximately 200,000 applicants; and I believe that the Commission is going to announce another examination soon. The Government is employing thousands of these people every week and there may develop a shortage, but it has not as yet developed, so I am informed.

STATEMENT OF ELEANOR NELSON

The CHAIRMAN. The next witness to be heard this morning is Miss Eleanor Nelson, of the United Federal Workers of America.

Miss NELSON. The United Federal Workers of America is a union of Government workers chartered in June 1937, by the C. I. O.

We have in our membership 26,000 Government workers in almost every department in Washington and scattered throughout the whole United States.

Since we were chartered we have been much interested in the establishment of a pay-raise system and presenting to the proper Government officials our plea that a proper pay-raise system be effected for the Government service.

During the last 3 years we have been appearing before representatives of the Bureau of the Budget and before congressional committees with that plea.

We were pleased this year when the Bureau of the Budget recommended a uniform plan of pay raises and your chairman introduced a bill to carry that plan into operation.

We want, however, to point out to gentlemen of the committee a great danger that is facing Federal workers in this connection.

This matter has come to your committee, yet the Committee on Appropriations of the House is not making any provision whatsoever to provide for pay raises for the coming fiscal year. It is not doing anything to effect the purposes of such an act, as it handles each separate appropriation bill. In short, the Committee on Appropriations is not doing anything at all about pay raises. Unless some favorable action comes out of this committee, Government workers next year will be in a worse condition than they have been for many years.

The CHAIRMAN. It is contemplated by the Bureau of the Budget, as is stated in the report that brought about this hearing, that if a bill is passed, the matter will be handled in deficiency appropriations.

Miss NELSON. If this committee does not act at all, Government workers will not get any raises because the Committee on Appropriations is not doing anything about this. It is leaving the problem out of every bill it is reporting out now or has reported out for the next fiscal year.

Our organization, whenever a problem of this sort comes up, in connection with such bills as H. R. 1073 and H. R. 625, makes an effort to bring the bills before the widest number of workers. We have had conferences in regard to this important subject all over the country; we have had a meeting of our national executive board to go over these bills; and after acquainting ourselves with the thoughts of

very many Government workers, we are convinced that there are several important deficiencies in H. R. 1073, and a real and beneficial bill for Government workers, establishing a proper pay-raise system, is the one Mr. Randolph has introduced, it being H. R. 625.

Mr. REES. You are not in favor of 1073?

Miss NELSON. I will tell you what we consider its weaknesses.

Mr. REES. Suppose it were the only one before you.

Miss NELSON. But we have H. R. 625 before us.

Mr. REES. I understand that; but if 1073 were the only bill before you, would you favor it?

Miss NELSON. I do not have to answer theoretical questions, and that is a theoretical question, because H. R. 625 is before you.

Mr. REES. Is there enough good in H. R. 1073 to be helpful?

Miss NELSON. I will answer that by saying that any raises are better than none.

There are two sections in H. R. 1073 to which I shall refer, and I think they should be removed before any organization of Government employees could properly back the bill.

There has been much discussion here of the Classification Act, and I feel that there should be more understanding on the part of everybody as to what that act really means.

You know that there are five main divisions of work which are divided into grades and within a grade there are salary ranges. That means that when one goes upon a job, he does so at the lowest or entrance salary and expects to move upward. There are usually five salary ranges within a grade and he expects, after a demonstration of efficiency and good conduct, to move upward.

There has been discussion and a comparison of work in the Government and work in private industry. What happens in private industry is this: If a union negotiates a wage, it is a flat one. A person goes on a job at that rate. In the Government one goes on a job at a low wage expecting, as I have said, to move upward after a demonstration of efficiency and good conduct.

Since the Government has not appropriated money to effect the provisions of the Classification Act, the result has been to keep the wages of its employees depressed.

The report of the Bureau of the Budget clearly demonstrates that employees do not move up in pay very much. They stay below the middle grade. The whole theory was that a worker would begin at a low wage and end with a fairly high one. That was a theory, but it has not been realized.

One begins at a low salary and he stays there because the Congress has not provided money to carry out the act, and employees have remained below their grades. The wages of employees have become depressed by the failure of Congress to appropriate sufficient money; and that is borne out, I am sure we will all agree, by the studies of the Bureau of the Budget.

The CHAIRMAN. I do not agree with that. There have not been many advancements but there have not been any reductions. To depress means to reduce.

Miss NELSON. The act contemplated a higher wage than has been accorded; it contemplated moving up from the lowest, but there has been no movement forward, and the employees generally are getting

much less than the Congress meant when it passed the Classification Act of 1923.

Mr. RANDOLPH. That is depressing to the workers.

Miss NELSON. Yes.

The CHAIRMAN. During the fiscal year 1939 we expended \$7,000,000 for salary increases; therefore it cannot be said that the workers were depressed because they went up some.

Miss NELSON. As has been stated here several times, the Bureau of the Budget report shows that a large percentage of Government workers are earning salaries below the middle of their grades, which means that the provisions of the act were not in fact carried out and the employees have not been allowed to move forward as they had expected.

I think this is important—I think this comparison of Government employment with private employment is important. When a worker in private industry goes to a job he knows what he is going to get; but in the Government service he goes to a job at a low wage expecting to advance, but he does not get that advancement for the reasons I have stated. However, the Government workers still hope for the advancement that was promised them in the Classification Act.

The Bureau of the Budget has clearly shown you gentlemen the need for salary increases. It has shown that more high-paid officials throughout the Service get raises than do those in the low-paid brackets. That study shows that in the field service the wages paid are below those paid here in Washington. The Bureau of the Budget study tells the number of workers who did not get raises for 3 years or more. The report says 3 years or more. I want to tell you that 3 years or more means a lot.

I have a woman here today that I should like to have go on later. She has worked in the Government 23 years and has always maintained an efficiency rating of very good, with the exception of 2 years when she was rated good. For 21 years her efficiency rating was very good; but she is still at the entrance salary of her grade. That is what 3 years or more means—it means in fact 15 years, 23 years, or 8 years.

The phrase, 3 years, obscures the situation.

I have some figures from your own district, Mr. Ramspeck, covering the Atlanta penitentiary where we have a local union among the guards. There out of 111 junior officers, men working at the penitentiary, 71 are on entrance salaries, and 17 are next to the lowest salary. Forty-one of those workers have been on the entrance salary 10 years; and this includes 2 men who have been in the service 28 years.

I could give you example after example of this throughout the Federal service; and it is extremely serious.

I have here today a man from the veterans' hospital in the Bronx, and I should like to have him go on if you will permit.

The CHAIRMAN. As was announced at the outset of these hearings, the committee is not going to hear individuals. That has always been the policy of this committee, and we shall have to adhere to it this time.

Miss NELSON. I have heard many requests here by gentlemen of the committee to cite specific examples and cases, and that is what I had in mind in asking you to hear these workers.

The CHAIRMAN. You can talk about the gentleman, but we cannot undertake to hear individuals. There are a million employees in the

Federal Government and no committee could take time to hear individuals talk about their own cases.

Miss NELSON. Both this woman and this man, to whom I have referred, represent locals, locals that are larger organizations than the organization you heard yesterday consisting of 300 members.

The man in question gets \$1,020 in a veterans' hospital, and there are men there who have been earning that much for 10 years. Out of that \$1,020 certain deductions are made for quarters, and so forth, which deductions reduce the net income to about \$800. This man has been earning a little more than \$800 a year for many years.

Mr. REES. Is that all those hospital employees get; do they have anything else, such as subsistence?

Miss NELSON. The Veterans' Administration requires a certain number of men employees at hospitals to live on a station. Each man has a little room, or perhaps a room will accommodate two men. These workers have families and they have to support them on the side. The Veterans' Administration does not have facilities for families at its hospitals. In other words, the workers in the hospital cannot bring families to the hospital to live, and yet the workers themselves must live there. That means, of course, that the workers must support their families outside, and each worker is left a little more than \$800 to support his family.

A worker may live in a small room alone and away from his family, but if he is a normal man, having a wife and children, he wants to live with them.

Mr. REES. I assume that it is necessary for a certain portion of the personnel of these hospitals to live at the hospitals in order to properly carry on the work to which they are assigned. I assume that is the reason they are there. I do not want the record to show that these workers get only a little over \$800 a year each.

I agree with you that married men should live with their families; and you cannot make a sad story out of that. Repeating, I do not want the record to show that all these men get is \$800 a year, when they receive quarters, and subsistence, and, perhaps, other attention from the Government. When these additional prerequisites are added those men receive a great deal more than \$800 a year, no doubt.

Miss NELSON. You are right, each man does receive a room, but, as I have said, his family cannot live in that room with him. Again, each man does get food and laundry, but he also pays for the support of his family outside when he does not eat at home.

As to the number of hospital employees required to live on the stations, there is a serious difference of opinion. The ones to whom I refer are the attendants. At any hospital there have to be doctors available at all times for emergency work. The practice is to have about 40 percent of the attendants live at a hospital. Medical experience has shown that such percentage is too high. We have it from reliable doctors that the percentage of those living on the job could be cut to 10 or 15 percent of the attendant personnel and then the needs of the patients would be served properly.

Mr. HARRIS. Do you know any people who receive \$624 a year, where such as a room, board, and laundry are furnished?

Miss NELSON. Do I know about them?

Mr. HARRIS. Is that a fact?

Miss NELSON. Veterans' employees making a salary of \$1,020 per year all have a deduction of one meal a day for those employees living off the station. This is a deduction of \$90 per year and a cut on total salary received by the employees to \$930.

However, following are charges made from salaries of employees who are officially stationed at the hospital, despite the fact that they may have families on the outside:

Per month for room.....	\$8. 00
Per month for laundry.....	2. 50
Per month for food or subsistence.....	22. 50
Total.....	33. 00

\$33 total per month, or \$396 per year deducted for these services—
\$1,020 minus \$396 leaves a total amount of \$624—the salaries of these employees for the year.

Mr. HARRIS. But I am speaking about those who allegedly have a room, board, and laundry and then receive only \$624 a year.

Miss NELSON. The situation in the Marine Hospital Service is even worse. The Government hospital situation is very serious indeed. I hope that some day some appropriate committee of the Congress will get around to give that matter the attention it deserves.

The CHAIRMAN. That is not under the jurisdiction of this committee.

Miss NELSON. I understand that. There is ample corroboration of what I say about the Government hospital service. An attendant in the Marine Hospital Service has a room and—

Mr. MILLS. Let me suggest that you confine your remarks to H. R. 1073 and kindred bills before the committee. We are getting so general in our talk that we are confused.

Miss NELSON. I have been trying to establish the very definite need for pay raises. I have been trying to show the low wages and the fact that these men work for years and years without any advancement whatsoever, when advancement was contemplated. I am trying to use those arguments in favor of pay raises.

The CHAIRMAN. I think what Mr. Mills has in mind is that this committee has no jurisdiction over the problem you have been discussing for about 10 minutes. We cannot help you with that problem; therefore, why consume our time with it?

Mr. RANDOLPH. I do not think this witness wanders away from the subject of our hearing any more than other witnesses have. Other witnesses who have appeared here have been granted much latitude in their statements; and now we have a splendid witness, and she is doubly so because she is for my bill.

Mr. MILLS. I should like to hear the witness speak about H. R. 625.

Miss NELSON. In my opinion, all the statements I have made and all the evidence I have produced show low wages and a lack of pay increases and they bear upon both bills. What I want to establish, if I can, is the very great and urgent need for pay raises.

Before I go on specifically to your bill, Mr. Randolph, I want to point out one more thing. When Mr. Vincent was on the stand a question was raised about Government salaries and salaries in private industry. According to a Civil Service Commission study, 11 percent of the Government workers receive less than \$1,000 a year. That is

outside of the Post Office Department. That means one-tenth. When thinking of Government workers you have to remember these people. Some of them are the people I have mentioned, but 11 percent do receive less than \$1,000 a year. No study made by any governmental agency or any reputable research agency could establish the fact that anybody can live decently for less than \$1,000 a year.

This low salary level is an increased argument for the establishment of a pay-raise system.

In going over H. R. 1073 our organization wants to point out a number of things which we consider definite weaknesses in the bill, and some of them we feel are really against the interest of the Federal Workers.

In the first place, the bill is tied to the efficiency-rating system. The efficiency ratings come out once a year and these raises would be made, as contemplated, every 18 or 30 months, which would mean a lapse between the time of the efficiency ratings and the time of the increases. We think it would be simpler and more desirable to give the raises each year according to an automatic plan when the efficiency ratings are issued.

More serious than that is this point: There is provision at page 2 of the bill that an employee whose rate of compensation is at or above the middle rate of the grade shall not be advanced unless his current efficiency is better than "good." Every witness who has appeared has questioned the efficiency-rating system in the Federal service, and I think every Representative who has spoken here has expressed doubt about that system. Some have said that improvements have been effected in the efficiency rating systems; but we still maintain that, by and large, the efficiency-rating system now in use is open to favoritism, and the worst place that favoritism comes in is in distinguishing between "good" and "very good" employees.

There are five efficiency ratings, any one of which an employee may receive; namely, excellent, very good, good, fair, unsatisfactory. The only ones who have received raises in the past are those with ratings of "excellent" and "very good." There is practically no distinction between the "very good" and "good" employees, so that hundreds of Government workers are kept in the classification of "good" and go on and on without raises, although their work is identical and performed in the same efficient manner as those who are rated "very good," which means that those who are rated "good" are still discriminated against.

We are of the opinion that any plan ought not to make a distinction between good, very good, and excellent. We feel that the "good" section should come out and that anybody who gets "good" or better should be allowed to move up. It is this forcing of employees into the classification of "good" that has caused more injustice than anything else.

Moreover, we feel that the whole efficiency rating system is too complicated. We feel that five distinctions are too many. We believe the system should be simplified. We believe there should be only two or three ratings, and not five. We do not believe that supervisors should draw hair-line distinctions between employees, which distinctions mean that certain employees will be kept from getting needed and deserved increases.

We would request in any consideration of this bill that subsection 3 of section 2 come out.

Section 2, subdivision 4, provides "that the service and conduct of such employee are certified by the head of the department or agency or such official as he may designate as being otherwise satisfactory."

That refers to a requirement in order to receive a pay increase. We do not understand what that can possibly mean. Efficiency ratings are based on every possible objective factor. We do not know what other factors a head may bring in unless they are prejudicial factors. We think that the efficiency rating is enough and that this subsection should come out. As I have said, we do not know its purpose.

If the bill is tied to an efficiency rating system there is no need for that section which leaves it open to prejudice and the blocking of increases. What is doubly serious is that the employees do not have a chance to know why the raise is withheld.

Because of these provisions in H. R. 1073 we very much prefer H. R. 625, which is a simpler bill. It would be easy to administer, and it provides for annual increases.

Mr. HARRIS. You have pointed out two objectionable features of H. R. 1073. Are there other objectionable features of that bill?

Miss NELSON. We feel that the raises should be given each year instead of each 18 or 30 months. There should be automatic increases every year.

Mr. HARRIS. Instead of making these increases at intervals of 18 and 30 months, you would have them made yearly?

Miss NELSON. Yes. We think that would be a much easier procedure. That corresponds with the appropriations and the issuance of the efficiency ratings. It is the method that has been adopted whenever automatic-increase bills have been previously passed by the Congress.

Mr. HARRIS. Have you any other objection to H. R. 1073?

Miss NELSON. If you should provide for yearly increases and allow the large group that receives "good" to be fairly treated, that would improve the bill. I think you should take out the discriminatory section which provides that the head of a department or agency shall certify that an applicant for an increase is otherwise satisfactory, because that means the head of a department could stop a raise for any reason or no reason. If you should correct these defects, as we believe them to be defects, we would withdraw our objection to H. R. 1073. ✓

With respect to the last two sections I have mentioned, I feel that they are bad.

H. R. 625 provides for yearly increases for every employee who gives efficient service until he reaches the top of his grade. He may be especially compensated further for long years of service. The bill provides that an employee who has reached the top of his grade and served efficiently for five more years may get an increase of \$120. The exact language is this:

Every employee who shall have completed 5 years of service at the highest rate of pay prescribed for the grade in which his position is allocated shall automatically be entitled to and shall receive an increment of \$120 per annum in addition to such rate, and shall be entitled to and shall receive an additional increment of \$120 per annum upon the completion of each successive 5 years of service thereafter.

Mr. MILLS. Do you base your preference of H. R. 625 upon consideration of the relative costs? In other words, in saying you prefer H. R. 625, do you consider the cost of administering these two bills?

Miss NELSON. Having in mind the billions of dollars now being expended and appropriated, the cost of either bill is not exorbitant. We feel that what would be gained in establishing real employee morale in the Government service and in rectifying these injustices caused by the Classification Act, warrant the cost.

The Bureau of the Budget has not furnished me figures concerning H. R. 625; but I am sure the committee could get them.

We feel that the cost is justified and that the bill is a fair one. It carries out the intent of the Classification Act of 1923. The cost is really very small in comparison with the money that is being expended for national defense, and we believe this subject properly falls under the heading of national defense. In other words, we believe that the establishment of a proper employee morale is an important factor in national defense. We as an employee organization are much concerned with the equity features of the bill.

Mr. HARRIS. You have told us that you feel that this proposal is part of national defense and that under the existing emergency it is justified. Would you feel that, when this emergency shall have passed, we should go back to the old practices?

Miss NELSON. I almost qualified my statement foreseeing that question. I feel that this proposal is justified in any circumstance. I feel that this is but a carrying out of the intent of the Classification Act under normal circumstances. This proposal would simply put into law or make mandatory the intent of the Classification Act. I do not think there will be any dispute among us about that.

Mr. MILLS. Do you have any affiliation with the customs employees?

Miss NELSON. We have one very large local in New York.

Mr. MILLS. Do you think the employees of the Customs Service should be placed under this proposal?

Miss NELSON. Our local has made only one request of us in this connection. It has requested us in connection with the Randolph bill, H. R. 625, that we seek an amendment that would allow them increases every 5 years after they shall have reached the top of their grade.

Mr. MILLS. Would you be glad to see an amendment of H. R. 1073?

Miss NELSON. After I heard Mr. Connell say yesterday that he was willing to have the Bachrach Act repealed, I sent a wire to our local in New York City asking them for an expression of opinion in that regard. If it is agreeable, I should like to submit the results, although I have not heard from the local as yet in connection with that matter. The proposal made by Mr. Connell was that the present wage law covering those employees be repealed and that they be placed under H. R. 1073.

The CHAIRMAN. I may say that Mr. Connell told me after the committee adjourned yesterday that he thought he had made a mistake and he would write me a letter correcting it. I thought when he made that statement he did not know what he was getting into.

Mr. GALE. I take it that you endorse H. R. 625, which carries the principle of automatic increases, rather than H. R. 1073, which would provide increases on the basis of efficiency ratings.

Miss NELSON. We believe that each employee with a satisfactory service record should be allowed an automatic increase. In H. R. 625 provision is made for unsatisfactory employees. Leeway to the extent of 10 percent is provided for them. That covers the efficiency point.

H. R. 1073 is complicated because it is based upon a supercomplicated efficiency-rating system. We feel that all "good" employees should be allowed to move ahead.

Mr. GALE. When 90 percent of the employees are satisfactory they would under that plan be eligible to benefit?

Miss NELSON. Yes.

The Bachrach Act, which was referred to yesterday, provides for a group of clerks who receive \$1,700 a year entrance, advance to \$1,800 after 1 year's satisfactory service, and advance to \$1,900 after 2 years' satisfactory service.

It is my opinion that no Bachrach clerk would ever favor the repeal of that act, because it is a fine one entirely in line with the principles of the Randolph bill.

There is only one other thing I want to say: While the problem of pay raises is always urgent to Government workers and always has been, yet it is doubly urgent today on account of the war economy. I believe I know the conditions of these Government workers, because I talk with many, many of them from time to time; and I have especially talked to those who have not received pay increases of any kind.

During the World War Government workers took what amounted to a severe pay cut, those cuts ranging between 30 and 70 percent, according to the locality in which they lived.

We feel that today, with the cost of living rising, it having arisen 5 percent recently, these worthy Government workers are entitled to pay raises.

Mr. RANDOLPH. I had anticipated that the witness would speak about the cost of living. I want to tell you about the plight of one Government worker here in Washington whose name I am not privileged to reveal. It will be brought out later in hearings held before the District of Columbia Committee in connection with proposed legislation having to do with a rent commission. This Government employee has for many, many years paid \$40 a month rent, and that has always been paid in advance of the day prior to receipt of his Government check. He has sent me a notice from the agent for the company renting the building, which notice does not give him a month to make a decision, but simply gives him a little more than 2 weeks, saying that the rent will be advanced from \$40 to \$52.50 a month, and that if he does not wish to pay the increase he will have to vacate the premises.

I have a letter from the landlord as proof of the contentions of the person who has addressed a letter to the District Committee. That is not an isolated case; such cases are prevalent in the District of Columbia at this time; and we will later show increases of more than 31 percent in cost of rent.

Mr. COFFEE. I want to commend you, Mr. Randolph, for your fine work in connection with rents.

Mr. RANDOLPH. This amounts to 31 percent increase at one jump. That lends emphasis to the contentions that Miss Nelson is advancing now.

MISS NELSON. I am glad to have that example cited. Those cases are constantly being called to our attention.

The other thing is that as one moves out of an apartment the rent is jumped and the next person has to pay it. In fact the one who moves in does not know what his predecessor paid.

MR. RANDOLPH. The landlords realize that there is a great influx of people into Washington. Those who have occupied these apartments and houses for years are in many instances forced out, new people come in and they do not know what their predecessors have been paying for rent.

MISS NELSON. The cost of living has risen 5 percent throughout the whole country, and we all know it will go still higher. The rent situation is becoming extremely difficult in the District of Columbia and it will get very much worse.

Again, while we always think of H. R. 625 as a good bill, today we think it is very urgent that a pay raise plan be passed by the Congress, because government workers are going into a very serious situation.

In closing I want to say that the C. I. O. itself, its executive board, met in Washington last January 9 and at that time the problem of pay raises in the Federal service was discussed. The executive board of the C. I. O. unanimously passed a resolution favoring wage increases in the Government service at this time and called on all of its affiliates to help in the campaign of the United Federal Workers and State, county, and municipal workers in that direction.

The C. I. O. feels as we do, that the problem of the Federal Government is very urgent, and that its solution is going to have a marked influence upon policy in private industry. It urges, along with us, that favorable action be taken by your committee.

I have with me many petitions favoring H. R. 625. Our national Executive board had these petitions drawn up; and we shall have many thousands more of these within a short while.

H. R. 625 is a bill the Federal workers want. They are expressing favor for it in every way; and we strongly urge this committee to give very serious consideration and act favorably on it.

MR. RANDOLPH. I feel that the position of Miss Nelson, although representing a large group that favors H. R. 625, is eminently fair, in that this morning she has pointed out what she believes to be the deficiencies in H. R. 1073, introduced by our able chairman. In doing that she is putting her organization not only in favor of H. R. 625, but she is saying in effect that her organization believes this legislation is so important that if changes are made in H. R. 1073 she would want her organization, it being in favor of any type of measure that would correct this situation, to be for that bill.

MR. HARRIS. Do you, Mr. Randolph, know how the Bureau of the Budget feels about your bill?

MR. RANDOLPH. No; I have not received an expression of opinion from the Bureau of the Budget concerning H. R. 625. I am not certain whether the Civil Service Committee requested a report on it.

THE CHAIRMAN. The Civil Service Committee did not request a report on H. R. 625 from the Bureau of the Budget; but the Civil Service Commission has been requested to make a report on that bill. I am not able to say just now whether we have received that report.

(Report is printed at beginning of hearing.)

We all realize, of course, that the original Classification Act contemplated salary advancements. The theory of the original bill was that there would be advancements from time to time until the employees reached the top of their grades; but the Committee on Appropriations and the Congress have not seen fit to provide the money to carry out that purpose.

As a practical person dealing with legislation, and I know you have been around Washington many, many years, you would not want this committee to deny the employees anything we felt we could get for them, would you?

Miss NELSON. As I have said, any raises are better than no raises.

I could not advocate H. R. 1073 before those two specific provisions were amended or removed. I repeat, any raises are better than no raises.

Mr. HARRIS. I want to commend the witness for making a very fair statement. I should like to ask her this: Do you feel that, eliminating the provisions of H. R. 1073 to which you have objected, it would meet the provisions of H. R. 625?

Miss NELSON. If you eliminate those two provisions that I have pointed out, our organization would not oppose H. R. 1073. We would consider it a very forward step. We still would prefer yearly increases. We feel that the two provisions to which I have objected are unfair, and we cannot, as I have said, see any basis for the second one. The first one perpetuates the injustice in connection with the efficiency rating system.

Mr. RANDOLPH. Miss Nelson, I am not sure whether at the outset of your remarks you stated for how many Federal workers you speak?

Miss NELSON. We have 26,000 Federal workers in Washington and in the field service.

Mr. RANDOLPH. Could you say that your views are reflected in any major group in which you have influence?

Miss NELSON. Whenever a problem of vital importance to government workers comes up we have thorough discussion concerning it. We have meetings; and many thousands of other government workers have meetings with us and discuss the problems. That has been true in connection with these two bills. At every meeting of which I have any knowledge unanimous sentiment as been for the enactment of H. R. 625. There has been a recognition of certain advances in H. R. 1073 but there has at the same time been extreme dissatisfaction voiced in connection with the two provisions of that bill to which I have objected.

Mr. GEHRMANN. I believe that all the questions I had in mind have been answered by Miss Nelson.

As I understand, you favor H. R. 625, but you would rather have part of a loaf than no loaf. I am thinking of the attitude of the Bureau of the Budget. If it should make an unfavorable report on H. R. 625, I assume that, after the elimination of the two provisions in H. R. 1073 to which you have objected, you would favor H. R. 1073 with the idea of getting at least part of a loaf.

Miss NELSON. The members of my organization unanimously favor H. R. 625, because they feel it is an answer to their problem. The elimination of the two provisions to which I have objected in H. R. 1073, and then the adoption of that bill, would be a very forward step.

Mr. GEHRMANN. We all appreciate the fact that without the approval of the Director of the Bureau of the Budget it would be hard, if not impossible, to get any place.

Mr. BECKWORTH. Have you, Mr. Randolph, asked the Bureau of the Budget for a report on your bill?

Mr. RANDOLPH. The Civil Service Committee has asked the Civil Service Commission for a report on H. R. 625, which report would have to clear through the Bureau of the Budget.

The CHAIRMAN. I may say that H. R. 625 has been adversely reported upon by the Civil Service Commission, and that report reflects the opinion of the Bureau of the Budget, of course. Under the procedure of reporting on bills, all those reports must go through the Bureau of the Budget before they are submitted to the Congress.

SUPPLEMENTARY STATEMENT ON REPEAL OF BACHRACH LAW—UNITED FEDERAL WORKERS OF AMERICA

When we heard Mr. Connell state that he favored repeal of the Bachrach Act⁷ in response to a question by this committee, we wired our local to ask whether they were in favor of repealing the law in order to bring customs employees under the terms of H. R. 1073 or H. R. 625.

Our local union of customs employees in the port of New York has informed me that the employees there do not want repeal of the Bachrach law. But they do want certain changes made in the law.

Under the terms of the law, customs laborers get a flat salary of \$1,500 and do not have any opportunity for raises whatsoever, unless they manage to get placed in another type of work.

This is a serious situation for these employees and we ask that this committee recommend legislation which will give these laborers the following wage scale, in order to make their salary scale and opportunities correspond with that of other Bachrach employees: \$1,500, \$1,560, \$1,620, \$1,680, \$1,740, and \$1,800.

Bachrach clerks are the only employees under this law who get automatic promotions with each year of satisfactory service. The other employees do not have any provision for automatic increases and with the exception of the customs laborers, the majority of them have received only one salary increase since the law went into effect. We ask that this committee make provision in any legislation it reports out, to allow all Bachrach employees with the one exception of the clerks, to come under the pay raises established for Government employees in general.

STATEMENT OF EDGAR G. BROWN, PRESIDENT, UNITED GOVERNMENT EMPLOYEES, AND DIRECTOR OF THE NATIONAL NEGRO COUNCIL

The CHAIRMAN. The next witness to be heard this morning is Edgar G. Brown, president of the United Government Employees.

Mr. BROWN. Mr. Chairman and members of the committee, I am, also, director of the National Negro Council.

I am happy to have the honor of expressing to the chairman and members of this committee the gratitude of the low-paid employees, especially, and the profound appreciation of those outside of the civil service, who have been given an opportunity to be brought in under the Classification Act by the Ramspeck law, which was passed last session by Congress and signed by the President. The nondiscriminatory amendment has resulted in pictures being discontinued by Executive order.

We want to commend the chairman of your committee for having consummated such a historical contribution to the merit system and the improvement of the public service. The great confidence and

esteem in which we hold your chairman and members of the committee have been further enhanced.

I want to say that our organization is 100 percent in favor of H. R. 1073 in its general objectives to increase automatically the salary of all Federal employees. One or two modifications will no doubt be effected as a result of these hearings to clarify the matter of efficiency ratings and procedure.

We hope that something beneficial may be done for the so-called unclassified workers in the Government. When the Classification Act of 1923 was enacted certain laborers in the District of Columbia, mainly, were not classified. This works a real hardship upon these employees, who are, therefore, denied any opportunity whatever for promotion, as are classified laborers doing similar types of work.

This appears to be discriminatory in its effect.

We realize that it may not be germane to this legislation, but it does go to the heart of the principle of equal pay and promotions in keeping with identical duties under the Classification Act of 1923 as amended.

We, like all others, are anxious to see the salary increases that are embodied in H. R. 1073 now before this committee for action, carried into effect as speedily as possible, especially in view of the fact that the bill has received for the first time the endorsement of the Director of the Bureau of the Budget.

We do not want to advance any objections to H. R. 1073 that might tend to delay its favorable consideration by the committee and the Congress; but I should like to bring this matter to the attention of the committee and express the sincere hope that the so-called unclassified workers may be properly taken care of, to assure them equal promotional opportunities under the law for proficient performance of their duties.

Mr. COFFEE. As I understand, you would rather have a bill with some imperfections rather than raise objection to those imperfections and thereby jeopardize passage of any bill.

Mr. BROWN. I feel that the pending bill represents what we have been getting from this committee and from the Congress, namely, progressive and remedial legislation which meets certain urgent employee problems. Of course, we cannot remedy all the ills in this one bill, and, since it seemed to me a definite advance, I would not want to object to it because it does not contain this and that, and thereby possibly delay or defeat its enactment.

The important consideration seems to be the fact that we have the favorable support of the Bureau of the Budget, as a result of its comprehensive study. Those of us who have been appearing before the various congressional committees, especially the Committee on Appropriations, know that it is impossible to get anywhere in connection with proposed increases of salaries without the approval of the Bureau of the Budget. Now, we have obtained just that in this proposed legislation.

We hope this committee will recommend H. R. 1073 favorably and that it subsequently will be approved by the House of Representatives and the Senate and become the law of the land, with the signature of the President, thereby, adding another milestone in the progressive standards of the United States Government's public service and its

increasing benefits to faithful and efficient employees, regardless of race, creed or color.

We commend, again, the statesmanship of the chairman, Mr. Ramspeck and his able associates of the House Civil Service Committee. The Government employees are eternally indebted to you. Nothing could be more advantageous to the morale of the workers and a greater contribution to the public service. I thank you on behalf of those employees, especially, in our organization.

The CHAIRMAN. This witness concludes our hearings. All have been heard who have requested to be heard. The committee will now adjourn, to meet at the call of the chairman. As soon as the hearings shall have been printed we will call an executive session to pass upon these bills.

(Thereupon at 11:50 a. m., Friday, March 14, 1941, the committee adjourned, to meet at the call of the chairman.)

AMENDING THE CLASSIFICATION ACT OF 1923, AS
AMENDED



MAY 13, 1941.—Committed to the Committee of the Whole House on the state
of the Union and ordered to be printed

Mr. RAMSPECK, from the Committee on the Civil Service, submitted
the following

REPORT

[To accompany H. R. 1073]

The Committee on the Civil Service, to whom was referred the bill (H. R. 1073) to amend the Classification Act of 1923, as amended, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

On page 3, beginning on line 11, strike out first sentence of section 2 (f) and insert the following sentence in lieu thereof:

Within the limit of available appropriations, and in recognition of especially meritorious services, the head of any department or agency is authorized to make additional within-grade compensation advancements, but any such additional advancements shall not exceed one step and no employee shall be eligible for more than one additional advancement hereunder within each of the time periods specified in subsection (b).

On page 4, between lines 19 and 20, insert a new section 5 as follows:

SEC. 5. (a) Title II of the Act of November 26, 1940, entitled "An Act extending the classified executive Civil Service of the United States," is hereby emended by deleting from section 3 (d) (viii) the words "verifiers, openers, packers, guards, inspectors, station inspectors" so that the paragraph as amended will read as follows:

"(viii) Offices or positions of clerks and laborers in the Customs Service of the Treasury Department, the compensation of which is fixed under an Act of Congress approved May 29, 1928 (45 Stat. 955), as amended;"

(b) Upon the passage of this Act, the Secretary of the Treasury shall allocate to the services and grades of the compensation schedules of the Classification Act of 1923, as amended, the other positions heretofore covered by said Act of May 29, 1928, in the same manner as other positions in the field service of the Treasury Department are allocated under section 2 of July 3, 1930 (46 Stat. 1003).

(c) Nothing contained in this section shall be construed to decrease the existing compensation of any employee, but when his position shall become vacant it

shall be filled in accordance with the regular compensation schedule applicable to such position.

On page 4, line 20, strike out "5" and insert "6".

On page 4, line 23, strike out "6" and insert "7".

On page 4, line 25, strike out "7" and insert "8".

On page 4, line 25, after the words "effect on", insert "July 1, 1941".

GENERAL STATEMENT

This bill is the result of a study made by the Bureau of the Budget pursuant to a request of the House Committee on Appropriations expressed in House Report No. 98, dated February 24, 1939, on the Treasury and Post Office Departments appropriation bills, fiscal year 1940.

It is not a pay-raise bill, but is a plan to regulate the granting of increases in pay to Government employees on a uniform and definite basis, pursuant to the terms and conditions set forth in the proposal.

It is believed that there is hardly a Member of Congress who has not at some time or other had complaints from Government employees that they have not received increases in pay for long periods of time; that when raises are given, favoritism and other factors have played a part. The purpose of this bill is to set up a uniform and fair plan for handling this problem. It aims to bring order out of chaos, and fairness so far as is humanly possible.

The Classification Act which defines and sets up the various grades and rates of pay for governmental employees was originally passed by the Congress in 1923. That law and amendments contemplated that employees who performed their duties efficiently could advance within their grades, and from grade to grade, when their records and qualifications justified it. However, no uniform system has ever been established for granting pay raises. Various departments and agencies of the Government have made representations to the Bureau of the Budget and the Committee on Appropriations for specific amounts for this purpose. The result has been, dependent upon the activity of the particular agency involved, that some departments and agencies have received much more liberal treatment than others. Furthermore after lump sums were granted in the various appropriation bills for salary increases, the discretion has been left entirely in the hands of the administrators of those departments and agencies as to how such funds would be distributed. The only check or system, if it could be called that, has been contained in the language of the various appropriation bills known as the "average clause," and the provisions contained in appropriation bills for the last year or so, requiring the Bureau of the Budget to determine what amounts should be available to the various departments and agencies for administrative within-grade promotions.

This problem has given the Appropriations Committee much difficulty. Your committee has conducted hearings on this bill, invited the chairman and subcommittee chairmen of the Appropriations Committee to appear, and had the assurance that, if we could work out a feasible plan in conjunction with the Bureau of the Budget, cooperation would be given in getting consideration by the House.

It is believed the statement by Mr. Harold D. Smith, Director of the Bureau of the Budget, to the committee is a fair and concise description of the bill and its purposes. For the information of the House his statement is printed at this point.

In the first session of the Seventy-sixth Congress, the Appropriations Committee of the House of Representatives requested the Bureau of the Budget to make a survey of the situation throughout the Federal Government service regarding administrative promotions in order that a uniform salary-advancement plan might be developed. The committee request is contained in the following excerpt from the report on the Treasury and Post Office Department's appropriation bill, fiscal year 1940 (76th Cong., 1st sess., Rept. No. 98, p. 7):

"It appears that there has never been any well-defined policy in the matter of affording salary step-ups in the various departments and independent agencies of the Government within grades of the Classification Act. * * *

"This lack of consistent approach to this most important problem has resulted in inequities and lack of the uniformity in pay contemplated by the Classification Act. It becomes self-evident to the committee, therefore, that the Bureau of the Budget should undertake a scientific appraisal of this entire question with a view of arriving at some means and method whereby uniformity of treatment in the matter of advances within grades, based on efficiency, may be attained."

After receiving the committee's request, the Bureau of the Budget made a survey of the facts regarding salary advancement in the departments and agencies of the Government at the close of the fiscal year 1939. This study confirmed the impression that there had been widespread differences in the opportunities for salary advancements and inconsistencies in the manner in which such increases had been handled among various departments and agencies.

The more important conditions revealed by our survey and which stand in need of correction are the following:

1. Employees of the Government holding positions subject to the compensation schedules of the Classification Act have been at a substantial disadvantage relatively in the matter of salary advancement by comparison with employees occupying positions in services covered by statutory promotion plans.

2. Employees occupying field positions have been under relative disadvantage by comparison with employees occupying departmental positions in Washington.

3. Substantial differences have been found in the opportunities for salary advancement as between employees in high- and low-salary brackets.

4. Considerable numbers of efficient employees have remained on the pay roll for periods of 3 years or longer without any increase in salary.

5. The present lack of controls on salary advancement leaves such wide administrative discretion that uniform standards for determining eligibility for advancement have not resulted.

6. Employees in agencies financed from relatively small and limited salary appropriations have been at a disadvantage in comparison with employees in agencies financed from large lump-sum appropriations.

7. In the absence of a uniform salary advancement plan and because of the different methods of appropriating funds, it has been difficult for Congress, for the Bureau of the Budget, and for the departments and agencies to be consistent in the provision for and use of funds for salary advancement.

8. The "average clause" contained in appropriation bills seemed necessary in the absence of other effective controls on salary advancement. Although this clause affects a relatively small group of employees at the present time, it presents an arbitrary barrier to salary advancement for the employees affected without regard to their efficiency, length of service, or value to an organization.

The Appropriations Committee's request for this study stressed the need for uniformity in salary-advancement policies. Uniformity carries with it, however, an inevitable limiting of administrative discretion. Discretion in granting salary advancement is considered by many administrators as an essential prerequisite to the full utilization of the incentive value of promotions. Freedom of administrative discretion is the antithesis of formula; yet freedom of discretion may result in inequities in administration.

The problem of formulating recommendations for making salary advancements, therefore, calls for a compromise between complete freedom of administrative action and the automatic operation of a rigid formula.

In addition to uniformity, we have had in mind the following specific purposes and objectives in developing and recommending our salary advancement plan.

1. To promote economy and efficiency in the Government service.

2. To recognize superior work, to provide incentives for better performance, to improve employee morale, and to aid in attracting and keeping competent persons in the service.

3. To remove present inequalities in the administration of salary advancement.

4. With due regard to efficiency, length of service, and a reasonable period of time required for advancement from the minimum to the maximum salary level

of each grade, to afford equal opportunity for all employees in positions subject to the compensation schedules of the Classification Act to attain the salary levels included in those schedules.

5. To keep the average annual cost of the plan, after the initial period of adjustment, approximately within the lapses and savings resulting from turn-over of personnel, filling of vacancies at lower salary rates, reduction of personnel through redistribution of work, and improved efficiency.

In order that this question might be approached from a personnel as well as from a fiscal and general management standpoint, we requested the cooperation of the Civil Service Commission and the Council of Personnel Administration. While these agencies and individuals were most helpful to the staff of the Bureau of the Budget in the development of the proposals contained in our report, the Bureau of the Budget assumes full responsibility for the findings and recommendations.

In brief, the plan which we have recommended and which is now before this committee in H. R. 1073 provides that a salary advancement of one step within the grade shall be given each 18 months to employees in grades where the salary increments are \$60 or \$100, and in each 30 months to employees in grades where salary increments are \$200 or \$500 (proposed in the plan to be changed to \$250) provided (1) that no other equivalent increase in compensation has been received from any cause during the time specified, (2) that an employee's efficiency, service, and conduct shall have been satisfactory. In order to receive any advancement, an employee must have an efficiency rating of "Good" or better than "Good," and in order to receive advancement above the midpoint of the grade, his efficiency rating must be "Very good" or "Excellent."

In addition, the plan provides in section 2 (f) for administrative discretion to grant additional salary advancements in unusually meritorious cases. This provision makes it theoretically possible for an employee to be advanced twice as rapidly as under the framework of the general salary advancement plan. We regard such authority as indispensable to effective operation of a promotion plan. Salary advancement, if it is to serve its purpose as an incentive to better work and as a reward for past effectiveness, should not become an automatic right. Any system that does not provide a reasonable amount of administrative discretion in the granting of increases fails to achieve this purpose and becomes entirely automatic in operation.

Under the proposal for regular periodic increases, it will be noted that employees in grades with minimum salaries less than \$3,800 are eligible for advancement to the top of their grades during a period of 9 years. Eligible employees in the higher salaried groups wait a period of 10 years before attaining the maximum salary for their grades.

The spread from minimum to maximum salary level and the size of the salary increment steps bears a relatively constant ratio to the base salary for each grade. That is to say, a \$60 increment with a maximum spread of \$360 bears approximately the same relationship to a base salary of \$1,440 as does a \$200 increment with a spread of \$800 to a base salary of \$3,800. It seems entirely consistent with the objectives of the Classification Act that approximately the same period of time should be required for advancement from the minimum to the maximum salary rates in all grades. The proposed plan, requiring 9 and 10 years, respectively, for the full amount of salary advancement, approximates this objective. Since the number of steps in the higher salary grades is smaller than in the lower, it obviously becomes necessary to require a somewhat longer waiting period between increases in the higher brackets, if we are to provide for advancement to the top of the grade in about the same period of time regardless of the salary level.

Particular attention was given to the situation for the classification grades with base salaries of \$6,500 and \$8,000. At the present time these grades provide for only two salary advancement steps of \$500. If the maximum salary for these grades were to be attained in a period of 10 years, it would call for a waiting period of 5 years between increases. This seems to be an unreasonably long period of time; it also results in a minimum of incentive value being attached to the salary advancement plan for these grades. In view of these facts, and in order that employees in these grades may be treated on a basis comparable to employees in grades with a \$200 salary increment, section 4 of the bill provides for amending the Classification Act so that these grades will have four steps of \$250 each.

We have considered other possible requirements for the waiting period and have concluded that the arrangement for 18 and 30 months, respectively, is a satisfactory means of spreading salary advancements to the maximum of the

grade over approximately the same time period in both low and high salaried groups. Also, the length of these waiting periods is such that the cost of the plan is not unreasonable.

The cost of a salary-advancement plan is a matter of first importance in determining its feasibility. A salary-advancement plan should promote economy. It should in the long run pay for itself. Its operation should not represent an ever-increasing cost of Government services.

In our report we made a detailed estimate of the cost of our recommended plan. This estimate was necessarily based upon the factual situation existing on June 30, 1939, the date to which our survey data related, and involved certain important assumptions. We assumed that the plan went into operation on July 1, 1939; that the number of employees covered by the plan remained unchanged at approximately 304,000; that the rate of turn-over and line promotions existing at the start of the plan continued constantly throughout its operation; that the distribution of efficiency ratings among the adjective categories remained unchanged. All of these assumptions had the purpose of isolating the effect of the salary advancement plan itself. It was fully realized that any material change in any one or more of these factors would have its corresponding bearing upon the operation and cost of the salary-advancement plan. Nevertheless, the cost figures in our report can be considered as a bench mark. Any increase in coverage would entail a proportionate increase in cost.

Based upon these assumptions our estimates indicated that in the first year of operation of the salary-advancement plan, approximately 159,000 employees would become eligible for advancement. This number of advancements would represent a net increase of approximately 7½ million dollars in the annual pay roll. However, savings resulting from the staggered dates upon which increases are granted would reduce the cash requirement during the first year to 5½ million dollars.

The salary-advancement plan with a coverage of 304,000 employees would, after 10 years of operation, result in an increase in the annual pay roll of \$29,000,000 above the amount of the pay roll at the beginning of the operation of the plan.

It is highly significant that the increase in pay roll for each year, if averaged over a period of 10 years, represents less than \$3,000,000 per year or less than one-half of 1 percent of the annual pay roll of approximately \$600,000,000 paid to the 304,000 employees covered by the plan.

After the plan has been in operation for as many as 10 years, the lapses resulting from turn-over and line promotions will almost equal the annual cost of granting the increases to the eligible employees, and there will be little or no further additional cost. The plan will become self-supporting.

Since the preparation of our report there has been an obvious increase in the number of Government employees, and hence in the coverage and cost of the plan.

Data submitted in connection with the Budget estimates for 1942 indicate that on June 30, 1940, the number of employees which would have been covered by the plan would have been approximately 346,000 instead of 304,000 reported on the pay rolls in positions subject to the provision of the plan on June 30, 1939. Further increase in coverage is, of course, occurring during the present fiscal year and will continue into next year.

The increase in coverage of the plan is due not alone to the increasing size of the Government but also to the transfer of positions to the compensation schedules of the Classification Act, as a result of reorganization plans and by anticipated extension of the Classification Act pursuant to the provisions of the Ramspeck Act.

Expansion in the size of the Government structure creates an increased opportunity for promotion from grade to grade and improved general business conditions have tended to raise the rate of turn-over in Government positions. This increased rate of turn-over and promotion raises the proportion of the total cost of salary-advancement plan which can be borne from lapses and without the necessity for new money.

However, in contrast to this factor, the restrictions on promotions which are in existence during the current fiscal year and which resulted from certain reorganization changes during the last fiscal year tend to accumulate a backlog of eligibility for salary advancement under the promotion plan. This factor would mean an increase in the cost during the first year of operation.

It is obvious that these cost factors are complex and interrelated. An accurate estimate of the appropriation needs during the first several years of the operation of the plan would have to be made, as indicated in our report, upon a supplemental or deficiency appropriation basis.

The present consideration of this problem by your committee is exceedingly timely. The emergency situation calls for the highest degree of employee morale in the Government services. Undoubtedly, the Government is currently losing a number of highly competent persons because of the absence of any salary advancement plan.

During the current fiscal year, salary advancements are restricted by legislation and by a formula recommended last year by the Appropriations Committee. These restrictions and the formula were frankly recognized by the committee to be a temporary stop-gap until such time as a more adequate long-range plan could be adopted.

Up to the present time, neither the Budget for the fiscal year 1942 nor the appropriation bills, which have passed the House of Representatives, carry any restrictions upon or any provisions for salary advancement in the next fiscal year. It is obviously of very great importance that a uniform approach to this problem in the next fiscal year be adopted by the Congress. The Bureau of the Budget has refrained from making any temporary recommendations on this subject for the next fiscal year in the hope that it would be possible for the Congress to adopt a long-range plan.

The committee amendment, putting in a new section 5 in the bill, deals with part of the employees of the United States Customs Service, whose rates of pay are fixed by a special act of Congress (Bacharach Act, 45 Stat. 955) and are not within the terms of the Classification Act. The effect of this amendment will be to put verifiers, openers, packers, guards, inspectors, and station inspectors of the Customs Service under the Classification Act, and thus extend the provisions of this bill to them if it should be enacted. This amendment has the approval of the Bureau of the Budget and the Civil Service Commission.

The other committee amendments are merely for clarification of the text and fix an effective date.

This bill does not apply to groups whose rates of pay are fixed by special enactments of Congress, such as post-office employees and others, except the group of customs employees above-mentioned.

For the information of the House, the report from the Civil Service Commission is printed below.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., March 7, 1941.

HON. ROBERT RAMSPECK,
Chairman, Committee on the Civil Service,
House of Representatives.

MY DEAR MR. CHAIRMAN: Referring to your letter of January 14, 1941, receipt of which was acknowledged on January 16, 1941, we desire to offer the following report on H. R. 1073, a bill to amend the Classification Act of 1923, as amended.

H. R. 1073 is a bill recommended to the House Appropriations Committee in a report made by the Bureau of the Budget as a result of a request for a study of the salary-advancement problem contained in the report on the Treasury-Post Office appropriation bill for the fiscal year 1940. A complete discussion of the problem and of the provisions of the bill is contained in the House committee print of the Bureau of the Budget's report. Consequently, it is not necessary for the Commission to comment upon these provisions in detail.

A salary-advancement plan from an administrative standpoint is a necessary complement to the existing provisions of the Classification Act. Good salary administration requires the establishment and maintenance of two procedures: (1) The position-classification process results in the analysis and evaluation of individual positions and their classification in such a way that there shall be equal pay scales for equal work. This process is covered by the provisions and the current administrative practice under the Classification Act of 1923, as amended. (2) The second process essential to good salary administration involves the determination for each employee of the particular rate of pay within the pay scale for his classification that he is entitled to from time to time. It is this second

process with which H. R. 1073 deals. Present conditions, with respect to salary advancements within the grade, are notoriously unsatisfactory. The problem of improving the situation is complicated by the fact that various agencies, administrative officials, and employees have different interests and desires.

The bill prepared by the Bureau of the Budget is, in the opinion of the Commission, a good product which meets well the conflicting interests and desires which are always involved in a problem of this kind. It will certainly tend toward uniformity and consistency in salary administration. We recommend, accordingly, that it receive the favorable consideration of the committee.

Sincerely yours,

HARRY B. MITCHELL, *President.*

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII, of the Rules of the House of Representatives, changes in existing law are shown as follows (present law is printed in roman, matter to be omitted in black brackets, and new matter in italics):

(ACT OF MARCH 4, 1923)

SEC. 7 (a) Increases in compensation shall be allowed upon the attainment and maintenance of the appropriate efficiency ratings, to the next higher rate within the salary range of the grade: *Provided, however,* That in no case shall the compensation of any employee be increased unless Congress has appropriated money from which the increase may lawfully be paid, nor shall the rate for any employee be increased beyond the maximum rate for the grade to which his position is allocated. Nothing herein contained shall be construed to prevent the promotion of an employee from one class to a vacant position in a higher class at any time in accordance with civil-service rules, and when so promoted the employee shall receive compensation according to the schedule established for the class to which he is promoted.

(b) *All employees compensated on a per annum basis, and occupying permanent positions within the scope of the compensation schedules fixed by this Act, who have not attained the maximum rate of compensation for the grade in which their positions are respectively allocated, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next quarter, following the completion of: (1) Each eighteen months of service if such employees are in grades in which the compensation increments are \$60 or \$100, or (2) each thirty months of service if such employees are in grades in which the compensation increments are \$200 or \$250, subject to the following conditions:*

(1) *That no equivalent increase in compensation from any cause was received during such period, except increase made pursuant to subsection (f) of this section;*

(2) *That an employee whose rate of compensation is below the middle rate of the grade shall not be advanced unless his current efficiency is good or better than good;*

(3) *That an employee whose rate of compensation is at or above the middle rate of the grade shall not be advanced unless his current efficiency is better than good;*

(4) *That the service and conduct of such employee are certified by the head of the department or agency or such official as he may designate as being otherwise satisfactory.*

(c) *The term "good" as used herein shall be defined in accordance with the systems of efficiency rating established pursuant to section 9 of this Act.*

(d) *For the purposes of this section, the fourth salary rate in grades 2 and 3 of the custodial service shall be considered the middle rate.*

(e) *Employees eligible under subsection (b) for compensation advancement by reason of service immediately preceding the effective date of this amendment shall be advanced to the next higher rate of compensation within the grade to which their positions are respectively allocated at the beginning of the next quarter immediately following the effective date of this amendment.*

(f) *Within the limit of available appropriations, and in recognition of especially meritorious services, the head of any department or agency is authorized to make additional within-grade compensation advancements, but any such additional advancements shall not exceed one step and no employee shall be eligible for more than one additional advancement hereunder within each of the time periods specified in subsection (b). All actions under this subsection and the reasons therefor shall be reported*

to the Civil Service Commission. The Commission shall present an annual consolidated report to the Congress covering the numbers and types of actions taken under this subsection.

(g) The President is hereby authorized to issue such regulations as may be necessary for the administration of this section.

(ACT OF MAY 28, 1928)

SEC. 13. That the compensation schedules be as follows:

PROFESSIONAL AND SCIENTIFIC SERVICE

Grade 7 * * *

The annual rates of compensation for positions in this grade shall be **[\$6,500, \$7,000, and \$7,500,]** *\$6,500, \$6,750, \$7,000, \$7,250, and \$7,500*, unless a higher rate is specifically authorized by law.

Grade 8 * * *

The annual rates of compensation for positions in this grade shall be **[\$8,000, \$8,500, and \$9,000,]** *\$8,000, \$8,250, \$8,500, \$8,750, and \$9,000*, unless a higher rate is specifically authorized by law.

CLERICAL, ADMINISTRATIVE, AND FISCAL SERVICE

Grade 14 * * *

The annual rates of compensation for positions in this grade shall be **[\$6,500, \$7,000, and \$7,500,]** *\$6,500, \$6,750, \$7,000, \$7,250, and \$7,500*, unless a higher rate is specifically authorized by law.

Grade 15 * * *

The annual rates of compensation for positions in this grade shall be **[\$8,000, \$8,500, and \$9,000,]** *\$8,000, \$8,250, \$8,500, \$8,750, and \$9,000*, unless a higher rate is specifically authorized by law.

(Committee proposes to omit words enclosed in black brackets.)

(ACT OF NOVEMBER 26, 1940)

SEC. 3. * * *

(d) Except as Congress may otherwise provide by law, the power granted to the President by this section shall not apply to the following:

* * * * *

(viii) Offices, or positions of **[v]**erifiers, openers, packers, **[e]**lerks, **[g]**uards, inspectors, station inspectors, **[a]**nd laborers in the Customs Service of the Treasury Department the compensation of which is fixed under an Act of Congress approved May 29, 1928 (45 Stat. 955), as amended;

* * * * *

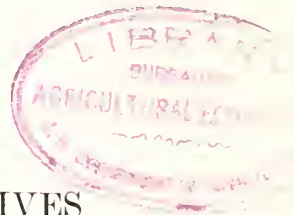
(b) *Upon the passage of this Act, the Secretary of the Treasury shall allocate to the services and grades of the compensation schedules of the Classification Act of 1923, as amended, the other positions heretofore covered by said Act of May 29, 1928, in the same manner as other positions in the field service of the Treasury Department are allocated under section 2 of the Act of July 3, 1930 (46 Stat. 1003).*

(c) *Nothing contained in this section shall be construed to decrease the existing compensation of any employee, but when his position shall become vacant it shall be filled in accordance with the regular compensation schedule applicable to such position.*

77TH CONGRESS
1ST SESSION

H. R. 1073

[Report No. 533]



IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1941

Mr. RAMSPECK (by request) introduced the following bill; which was referred to the Committee on the Civil Service

MAY 13, 1941

Reported with amendments, committed to the Committee of the Whole House on the state of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in *italic*]

A BILL

To amend the Classification Act of 1923, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Classification Act of 1923, as amended, is hereby
4 further amended as follows:

5 SEC. 2. Section 7 of the said Act is hereby amended by
6 inserting the letter "(a)" after the figure "7" at the begin-
7 ning of said section, and by adding the following paragraphs
8 as subsections thereof:

9 “(b) All employees compensated on a per annum basis,
10 and occupying permanent positions within the scope of the
11 compensation schedules fixed by this Act, who have not

1 attained the maximum rate of compensation for the grade in
2 which their positions are respectively allocated, shall be
3 advanced in compensation successively to the next higher
4 rate within the grade at the beginning of the next quarter,
5 following the completion of: (1) Each eighteen months of
6 service if such employees are in grades in which the com-
7 pensation increments are \$60 or \$100, or (2) each thirty
8 months of service if such employees are in grades in which
9 the compensation increments are \$200 or \$250, subject to
10 the following conditions:

11 “(1) That no equivalent increase in compensation from
12 any cause was received during such period, except increase
13 made pursuant to subsection (f) of this section:

14 “(2) That an employee whose rate of compensation is
15 below the middle rate of the grade shall not be advanced
16 unless his current efficiency is good or better than good;

17 “(3) That an employee whose rate of compensation is
18 at or above the middle rate of the grade shall not be advanced
19 unless his current efficiency is better than good;

20 “(4) That the service and conduct of such employee
21 are certified by the head of the department or agency or such
22 official as he may designate as being otherwise satisfactory.

23 “(c) The term ‘good’ as used herein shall be defined in
24 accordance with the systems of efficiency rating established
25 pursuant to section 9 of this Act.

1 “(d) For the purposes of this section, the fourth salary
2 rate in grades 2 and 3 of the custodial service shall be
3 considered the middle rate.

4 “(e) Employees eligible under subsection (b) for com-
5 pensation advancement by reason of service immediately pre-
6 ceding the effective date of this amendment shall be advanced
7 to the next higher rate of compensation within the grade to
8 which their positions are respectively allocated at the begin-
9 ning of the next quarter immediately following the effective
10 date of this amendment.

11 “(f) ~~Within the limits of available appropriations and~~
12 ~~in recognition of especially meritorious services, the heads of~~
13 ~~departments are authorized to make additional within-grade~~
14 ~~compensation advancements of not to exceed one step within~~
15 ~~the grade in any one case and within each of the time periods~~
16 ~~specified in subsection (b).~~ *Within the limit of available*
17 *appropriations, and in recognition of especially meritorious*
18 *services, the head of any department or agency is authorized*
19 *to make additional within-grade compensation advancements,*
20 *but any such additional advancements shall not exceed one*
21 *step and no employee shall be eligible for more than one*
22 *additional advancement hereunder within each of the time*
23 *periods specified in subsection (b).* All actions under this
24 subsection and the reasons therefor shall be reported to the
25 Civil Service Commission. The Commission shall present

1 an annual consolidated report to the Congress covering the
2 numbers and types of actions taken under this subsection.

3 “(g) The President is hereby authorized to issue such
4 regulations as may be necessary for the administration of
5 this section.”

6 SEC. 3. Section 9 of the said Act is hereby amended by
7 adding thereto the following paragraph:

8 “The Civil Service Commission and heads of depart-
9 ments are authorized and directed to take such action as
10 will apply the provisions of this section uniformly to all em-
11 ployees occupying positions within the compensation sched-
12 ules fixed by this Act as nearly as is practicable.”

13 SEC. 4. Section 13 of the said Act is hereby further
14 amended so as to provide the following annual rates of
15 compensation and salary steps within grades 14 and 15 of
16 the clerical, administrative, and fiscal service and grades 7
17 and 8 of the professional and scientific service:

18 “Clerical, administrative, and fiscal service:

19 “Grade 14: \$6,500, \$6,750, \$7,000, \$7,250,
20 \$7,500.

21 “Grade 15: \$8,000, \$8,250, \$8,500, \$8,750,
22 \$9,000.

23 “Professional and scientific service:

24 “Grade 7: \$6,500, \$6,750, \$7,000, \$7,250, \$7,500.

1 “Grade 8: \$8,000, \$8,250. \$8,500, \$8,750,
2 \$9,000.”

3 *SEC. 5. (a) Title II of the Act of November 26, 1940,*
4 *entitled “An Act extending the classified executive civil service*
5 *of the United States”, is hereby amended by deleting from*
6 *section 3 (d) (viii) the words “verifiers, openers, packers,*
7 *guards, inspectors, station inspectors” so that the paragraph*
8 *as amended will read as follows:*

9 “(viii) *Offices or positions of clerks and laborers*
10 *in the Customs Service of the Treasury Department, the*
11 *compensation of which is fixed under an Act of Congress*
12 *approved May 29, 1928 (45 Stat. 955), as amended;”.*

13 *(b) Upon the passage of this Act, the Secretary of the*
14 *Treasury shall allocate to the services and grades of the*
15 *compensation schedules of the Classification Act of 1923, as*
16 *amended, the other positions heretofore covered by said Act*
17 *of May 29, 1928, in the same manner as other positions in*
18 *the field service of the Treasury Department are allocated*
19 *under section 2 of July 3, 1930 (46 Stat. 1003).*

20 *(c) Nothing contained in this section shall be construed*
21 *to decrease the existing compensation of any employee, but*
22 *when his position shall become vacant it shall be filled in*
23 *accordance with the regular compensation schedule applicable*
24 *to such position.*

1 SEC. 5 6. There are hereby authorized to be appropriated
2 such sums as may be necessary to carry the provisions of
3 this Act into effect.

4 SEC. 6 7. Insofar as they are inconsistent or in conflict
5 with prior laws, the provisions of this Act shall control.

6 SEC. 7 8. This Act shall take effect on *July 1, 1941*.

77TH CONGRESS
1ST SESSION

H. R. 1073

[Report No. 533]

A BILL

To amend the Classification Act of 1923, as amended.

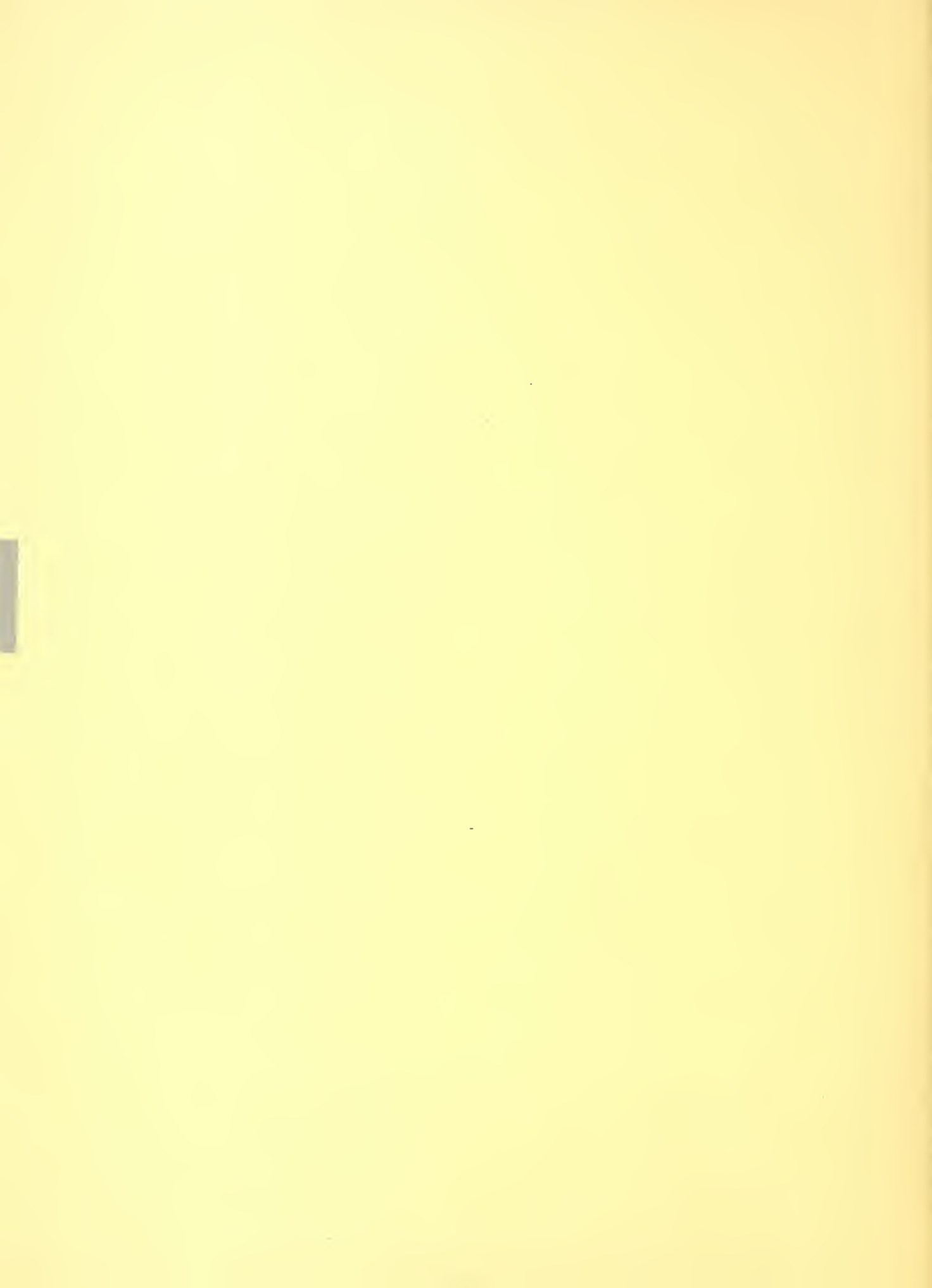
By Mr. RAMSPECK

JANUARY 3, 1941

Referred to the Committee on the Civil Service

MAY 13, 1941

Reported with amendments, committed to the Committee of the Whole House on the state of the Union, and ordered to be printed



Camino del Diablo, meaning the highway of the devil. Such great explorers as Juan B. Anza, Padre Kino, and Padre Garcés had great difficulty, although they were men of the desert, in crossing this region. They sanctified it by crossing and recrossing it but in 1850, 400 Mexicans, trying to get from Sonora, Mexico, to the gold fields of California, lost their lives right in there from the dangers of that part of the desert. It is a region occupied by rattlesnakes, coyotes, and Gila monsters and jack rabbits. [Laughter.]

Only hardy prospectors would venture in there without roads, and the objectors do not want any roads built there. I tell you candidly these people who objected are the same people who objected 3 years ago to tunneling under a national park. They said it would deface nature. Let me ask you gentlemen how much more will it deface nature to tunnel hundreds of feet under a park than to fly an airplane thousands of feet over a park? As a matter of fact, airplanes flying over a national park do foul the air to a certain extent, and the noise of the plane motors may frighten wildlife. Would these people forbid airplanes flying over national parks and monuments? How foolish. These criticisms and objections to this bill are unfounded, and I wish the gentleman would withdraw his objection.

Mr. COLE of New York. Mr. Speaker, this monument was created and named the Organ Pipe Cactus Monument especially for the purpose of preserving this unusual type of vegetation. Those interested in opposition to the bill claim that by opening the area to prospecting it would destroy this very plant which the monument was created to preserve. Therefore, Mr. Speaker, I object.

FEDERAL CROP INSURANCE

The Clerk called the bill (H. R. 4595) to amend the Federal Crop Insurance Act. The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I understand that it is the intention of the Agricultural Committee to take this bill up on Calendar Wednesday, and as there should be some discussion of it, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

ESTATES OF INDIANS DYING INTTESTATE WITHOUT HEIRS

The Clerk called the bill (H. R. 4533) to provide for the disposition of trust or restricted estates of Indians dying intestate without heirs.

The SPEAKER. Is there objection?

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

CERTAIN OIL AND GAS LEASES, WYOMING

The Clerk called the bill (H. R. 1817) authorizing the Secretary of the Interior to issue oil and gas leases on certain lands.

The SPEAKER. Is there objection?

Mr. COLE of New York. Mr. Speaker, I reserve the right to object to make some inquiries of the author of the bill. I un-

derstand the bill authorizes the Government to enter into gas and oil leases with certain persons who have been developing properties in Wyoming since 1918, the development of which the Government has claimed has been illegal. The Government has instituted legal proceedings against these people. This bill would authorize the Government to enter into oil and gas leases with the very persons who are now being prosecuted. The leases would provide for one-eighth royalty to the Government of future production of both gas and oil, but the bill also specifies that the leaseholders shall pay to the Government for the gas and oil recovered out of the property since 1918 a royalty of 4 cents per barrel of oil. This would indicate that the author of the bill or those interested in the bill take the position that the average price of oil since 1918 has been 32 cents per barrel, which, of course, is not the fact. I wonder what further explanation the gentleman may have?

Mr. McINTYRE. Mr. Speaker, the purpose of this bill is this: On the area involved valid locations were made, leases were made to operators, and they claim they have certain accrued vested rights. Subsequently the Department withdrew this particular area from mining location. However, there were at that time these accrued vested rights and the operators continued to take the oil out for some years. No royalty was due the Government under those locations. The operators did not obtain a patent, as they should have, on the land. A controversy arose. There is litigation as to whether or not the Government can cut them out now entirely. This compromise was worked out between the Government attorneys and the operators and the original locators as a settlement of the controversy. The 4 cents back royalty is simply to be paid for the oil already taken out in the past at a time when no royalty was paid to the Government at all.

Mr. COLE of New York. Is it the gentleman's position that the oil operators are not obligated to the Government to pay anything in royalty for the period from 1918 up to the date of the proposed leases?

Mr. McINTYRE. I think that is correct. However, I will say this: At least, it is the contention of the operators, and I think I am correct in that statement. This has been worked out as a sort of settlement of the whole controversy. For all oil taken out hereafter the Government will get 12½ percent royalty, but for the oil taken out in the past no royalty was paid at all, and before the operators can get their leases now they have to come in and make this back payment of 4 cents per barrel. That is not 4 percent, but is 4 cents per barrel.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. CASE of South Dakota. I may say that I have had some personal knowledge of this case, because a great many people who are interested in these lands live across the line in South Dakota. What the gentleman from Wyoming [Mr. McINTYRE] has said in

response to the gentleman's inquiry is substantially correct as to this back payment. In effect, this represents payment where there is no legally established right on the part of the Government to demand payment. The 12½ percent, of course, is the customary percentage that would apply from now on to the granting of the permit, but in many of these cases the Government has no established claim, and no moral claim in some instances, to the payment of royalty on the back production. The 4 cents a barrel represents a compromise figure that has been agreed upon and is satisfactory to the people involved as well as the Government attorneys.

Mr. COLE of New York. The letter from the Department to the committee in connection with this bill states in reference to the pending litigation that "the proceedings are fully justified in law." This would indicate that the Government feels that these people have been operating their oil and gas wells without legality.

Therefore, Mr. Speaker, until we can get further information, I ask unanimous consent to have this matter go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

OIL AND GAS LEASES ON CERTAIN LANDS

The Clerk called the next bill, S. 178, authorizing the Secretary of the Interior to issue oil and gas leases on certain lands.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. COLE of New York. Mr. Speaker, this bill is similar to the one just considered, and I ask unanimous consent that it may be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

The Clerk called the next bill, S. 1300, to amend the Soil Conservation and Domestic Allotment Act, as amended, with respect to the making available of conservation materials and soil-conserving or soil-building services.

The SPEAKER. Is there objection?

Mr. CRAWFORD. Mr. Speaker, I reserve the right to object.

Mr. WOLCOTT. Will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. WOLCOTT. May I ask the majority leader whether he included this bill in the list of bills that may be considered on Calendar Wednesday this week?

Mr. McCORMACK. Yes. Of course, if there is no objection to its passage today, the majority leader would be very glad to see it disposed of.

Mr. WOLCOTT. Mr. Speaker, in view of that, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PUBLICATION OF INVENTIONS IN THE NATIONAL INTEREST

The Clerk called the next bill, H. R. 4784, to amend the act relating to preventing the publication of inventions in the national interest, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, at the request of one of the minority members of the Committee on Patents, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

UNITED DAUGHTERS OF THE CONFEDERACY

The Clerk called the next bill, H. R. 2688, granting an extension of patent to the United Daughters of the Confederacy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That a certain design patent issued by the United States Patent Office of date November 8, 1898, being patent No. 29,611, which was renewed and extended for a period of 14 years by Public Law No. 242, Sixty-ninth Congress, approved May 18, 1926, is hereby renewed and extended for an additional period of 14 years from and after the passage of this act, with all the rights and privileges pertaining to the same, being generally known as the insignia of the United Daughters of the Confederacy: *Provided, however,* That no person who has manufactured the design of said patent between the 18th day of May 1940 and the date of the passage of this act shall be held liable for infringement of this patent by reason of the continued manufacture and sale thereof.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOLIDAY LEAVE FOR PER DIEM EMPLOYEES OF THE DISTRICT OF COLUMBIA

The Clerk called the next bill, H. R. 1642, granting to regular employees of the District of Columbia not paid on an annual or monthly basis the same benefits with respect to holiday leave with pay as are enjoyed by similar employees of the Federal Government.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act providing compensation for certain employees," approved January 29, 1938, is amended to read as follows:

"That hereafter whenever regular employees of the Federal Government or of the District of Columbia whose compensation is fixed at a rate per day, per hour, or on a piece-work basis are relieved or prevented from working solely because of the occurrence of a holiday such as New Year's Day, Washington's Birthday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day, or any other day declared a holiday by Federal statute or Executive order, or any day on which the departments and establishments of the Government or of the District of Columbia are closed by Executive order, they shall receive the same pay for such days as for other days on which an ordinary day's work is performed."

SEC. 2. The amendment made by this act shall not be effective to grant to any employee of the District of Columbia any compensation for any holiday or day on which

the departments and establishments of the District of Columbia were closed prior to the date of enactment of this act, to which such employee would not otherwise be entitled under existing law.

With the following committee amendments:

Page 1, line 4, strike out the word "January" and insert the word "June."

Page 2, line 4, after "Labor Day," insert "Armistice Day."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE CLASSIFICATION ACT OF 1923

The Clerk called the next bill, H. R. 1073, to amend the Classification Act of 1923, as amended.

The SPEAKER. Is there objection?

Mr. KEAN. Mr. Speaker, reserving the right to object, this is a bill of very wide import, and I believe it is too important to take up on the Consent Calendar. I therefore ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. MCCORMACK. Mr. Speaker, reserving the right to object, it is my understanding, then, for the Record, that the gentleman asks that it be passed over, rather than object to the bill, because the gentleman believes it should be taken up under a rule?

Mr. KEAN. I think it is a good bill, probably.

Mr. MCCORMACK. In other words, I wanted the Record to show that if it were pressed there would be objection made to the present consideration not because of opposition to the bill but because the gentleman feels it should be brought up under a rule, so that the chairman of the committee may go to the Rules Committee and present a clear case of necessity in relation to the issuance of a rule.

Mr. KEAN. That is my position.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AMENDMENT OF SECTION 8 OF THE COPYRIGHT ACT OF MARCH 4, 1909

The Clerk called the next bill, H. R. 4826, to amend section 8 of the Copyright Act of March 4, 1909, as amended, so as to preserve the rights of authors during the present emergency, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 8 of the act entitled "An act to amend and consolidate the acts respecting copyright," approved March 4, 1909, as amended, is hereby amended by striking out the period at the end of the section, inserting a colon and adding "*Provided,*" followed by the following paragraphs: "That whenever the President shall find that the authors, copyright owners, or proprietors of works first produced or published abroad and subject to copyright or to renewal of copyright under the laws of the United States, including works subject to ad interim copyright, are or may have been temporarily un-

able to comply with the conditions and formalities prescribed with respect to such works by the copyright laws of the United States, because of the disruption or suspension of facilities essential for such compliance, he may by proclamation grant such extension of time as he may deem appropriate for the fulfillment of such conditions or formalities by authors, copyright owners, or proprietors who are citizens of the United States or who are nationals of countries which accord substantially equal treatment in this respect to authors, copyright owners, or proprietors who are citizens of the United States: *Provided further,* That no liability shall attach under the Copyright Act for lawful uses made or acts done prior to the effective date of such proclamation in connection with such works, or in respect to the continuance for 1 year subsequent to such date of any business undertaking or enterprise lawfully undertaken prior to such date involving expenditure or contractual obligation in connection with the exploitation, production, reproduction, circulation, or performance of any such work.

"The President may at any time terminate any proclamation authorized herein or any part thereof or suspend or extend its operation for such period or periods of time as in his judgment the interests of the United States may require."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUNISHING WILLFUL OBSTRUCTION OF RECRUITING

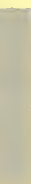
The Clerk called the next bill, H. R. 4868, to amend section 3 of title I of the act entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes."

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I merely want for the Record to determine if possible the legislative intent.

The bill as it is now drawn recites that whoever during the national emergency or when the United States is at war shall willfully obstruct or interfere with the operation or success of the armed forces may be punished by a fine of \$10,000 or imprisoned for 20 years, or both. There are, of course, a great many mothers of draftees and members of the draftee's immediate family who might subordinate their defense effort to a personal concern for their immediate relative. Is it the intent of the committee and the Congress that this amendment would apply to immediate members of the family who have advised other members of the family not to enlist, or to make statements in connection with conscientious objections which they might have or to press appeals before appeals board for deferment?

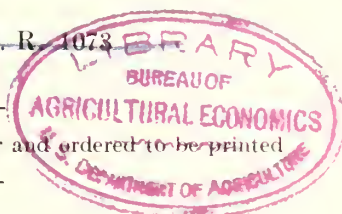
Mr. McLAUGHLIN. In answer to the gentleman's question I may say that the Judiciary Committee in the consideration of this bill gave attention to that question; and I may say that it is not the intention of the Judiciary Committee that the bill if passed, shall make it unlawful for any mother or relative in good faith to counsel with any young man who is considering enlistment in the Navy or to discuss it with him. If in the good judgment of the mother or relative it is felt

June 13



CONSIDERATION OF H. R. 1073

JUNE 13, 1941.—Referred to the House Calendar and ordered to be printed



Mr. LEWIS, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 236]

The Committee on Rules, having had under consideration House Resolution 236, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 104

77TH CONGRESS
1ST SESSION

H. RES. 236

[Report No. 772]



IN THE HOUSE OF REPRESENTATIVES

JUNE 13, 1941

Mr. LEWIS, from the Committee on Rules, reported the following resolution;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That immediately upon the adoption of this res-
2 olution it shall be in order to move that the House resolve it-
3 self into the Committee of the Whole House on the state of the
4 Union for the consideration of H. R. 1073, a bill to amend
5 the Classification Act of 1923, as amended. That after gen-
6 eral debate, which shall be confined to the bill and shall
7 continue not to exceed two hours, to be equally divided and
8 controlled by the chairman and ranking minority member of
9 the Committee on the Civil Service, the bill shall be read
10 for amendments under the five-minute rule. At the conclu-
11 sion of the reading of the bill for amendment the Committee
12 shall rise and report the same to the House with such amend-

- 1 ments as may have been adopted, and the previous question
2 shall be considered as ordered on the bill and amendments
3 thereto to final passage without intervening motion except
4 one motion to recommit.

House Calendar No. 104

77TH CONGRESS
1ST SESSION

H. RES. 236

[Report No. 772]

RESOLUTION

For the consideration of H. R. 1073, a bill to
amend the Classification Act of 1923, as
amended.

By Mr. Lewis

JUNE 13, 1941

Referred to the House Calendar and ordered to be
printed

77TH CONGRESS
1ST SESSION

S. 1634



IN THE SENATE OF THE UNITED STATES

JUNE 16 (legislative day, JUNE 10), 1941

Mr. MEAD (by request) introduced the following bill; which was read twice
and referred to the Committee on Civil Service

A BILL

To amend the Classification Act of 1923, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Classification Act of 1923, as amended, is hereby
4 further amended as follows:

5 SEC. 2. Section 7 of the said Act is hereby amended by
6 inserting the letter "(a)" after the figure "7" at the begin-
7 ning of said section, and by adding the following paragraphs
8 as subsections thereof:

9 “(b) All employees compensated on a per-annum basis,
10 and occupying permanent positions within the scope of the
11 compensation schedules fixed by this Act, who have not
12 attained the maximum rate of compensation for the grade in

1 which their positions are respectively allocated, shall be
2 advanced in compensation successively to the next higher
3 rate within the grade at the beginning of the next quarter,
4 following the completion of: (1) Each eighteen months of
5 service if such employees are in grades in which the com-
6 pensation increments are \$60 or \$100, or (2) each thirty
7 months of service if such employees are in grades in which
8 the compensation increments are \$200 or \$250, subject to
9 the following conditions:

10 “(1) That no equivalent increase in compensation from
11 any cause was received during such period, except increase
12 made pursuant to subsection (f) of this section;

13 “(2) That an employee whose rate of compensation is
14 below the middle rate of the grade shall not be advanced
15 unless his current efficiency is good or better than good;

16 “(3) That an employee whose rate of compensation is
17 at or above the middle rate of the grade shall not be advanced
18 unless his current efficiency is better than good;

19 “(4) That the service and conduct of such employee
20 are certified by the head of the department or agency or such
21 official as he may designate as being otherwise satisfactory.

22 “(c) The term ‘good’ as used herein shall be defined in
23 accordance with the systems of efficiency rating established
24 pursuant to section 9 of this Act.

1 “(d) For the purposes of this section, the fourth salary
2 rate in grades 2 and 3 of the custodial service shall be
3 considered the middle rate.

4 “(e) Employees eligible under subsection (b) for com-
5 pensation advancement by reason of service immediately pre-
6 ceding the effective date of this amendment shall be advanced
7 to the next higher rate of compensation within the grade to
8 which their positions are respectively allocated at the begin-
9 ning of the next quarter immediately following the effective
10 date of this amendment.

11 “(f) Within the limit of available appropriations, and in
12 recognition of especially meritorious services, the head of any
13 department or agency is authorized to make additional within-
14 grade compensation advancements, but any such additional
15 advancements shall not exceed one step and no employee
16 shall be eligible for more than one additional advancement
17 hereunder within each of the time periods specified in sub-
18 section (b). All actions under this subsection and the rea-
19 sons therefor shall be reported to the Civil Service Com-
20 mission. The Commission shall present an annual consol-
21 idated report to the Congress covering the numbers and
22 types of actions taken under this subsection.

23 “(g) The President is hereby authorized to issue such

1 regulations as may be necessary for the administration of
2 this section.”

3 SEC. 3. Section 9 of the said Act is hereby amended by
4 adding thereto the following paragraph:

5 “The Civil Service Commission and heads of depart-
6 ments are authorized and directed to take such action as
7 will apply the provisions of this section uniformly to all em-
8 ployees occupying positions within the compensation sched-
9 ules fixed by this Act as nearly as is practicable.”

10 SEC. 4. Section 13 of the said Act is hereby further
11 amended so as to provide the following annual rates of
12 compensation and salary steps within grades 14 and 15 of
13 the clerical, administrative, and fiscal service and grades 7
14 and 8 of the professional and scientific service:

15 “Clerical, administrative, and fiscal service:

16 “Grade 14: \$6,500, \$6,750, \$7,000, \$7,250,
17 \$7,500.

18 “Grade 15: \$8,000, \$8,250, \$8,500, \$8,750,
19 \$9,000.

20 “Professional and scientific service:

21 “Grade 7: \$6,500, \$6,750, \$7,000, \$7,250, \$7,500.

22 “Grade 8: \$8,000, \$8,250, \$8,500, \$8,750,
23 \$9,000.”

24 SEC. 5. (a) Title II of the Act of November 26, 1940,
25 entitled “An Act extending the classified executive civil serv-
26 ice of the United States”, is hereby amended by deleting from

1 section 3 (d) (viii) the words “verifiers, openers, packers,
2 guards, inspectors, station inspectors” so that the paragraph
3 as amended will read as follows:

4 “(viii) Offices or positions of clerks and laborers
5 in the Customs Service of the Treasury Department, the
6 compensation of which is fixed under an Act of Congress
7 approved May 29, 1928 (45 Stat. 955), as amended;”.

8 (b) Upon the passage of this Act, the Secretary of the
9 Treasury shall allocate to the services and grades of the
10 compensation schedules of the Classification Act of 1923, as
11 amended, the other positions heretofore covered by said Act
12 of May 29, 1928, in the same manner as other positions in
13 the field service of the Treasury Department are allocated
14 under section 2 of July 3, 1930 (46 Stat. 1003).

15 (c) Nothing contained in this section shall be construed
16 to decrease the existing compensation of any employee, but
17 when his position shall become vacant it shall be filled in
18 accordance with the regular compensation schedule applicable
19 to such position.

20 SEC. 6. There are hereby authorized to be appropriated
21 such sums as may be necessary to carry the provisions of
22 this Act into effect.

23 SEC. 7. Insofar as they are inconsistent or in conflict
24 with prior laws, the provisions of this Act shall control.

25 SEC. 8. This Act shall take effect on July 1, 1941.

A BILL

To amend the Classification Act of 1923, as amended.

By Mr. Mead

JUNE 16 (legislative day, JUNE 10), 1941

Read twice and referred to the Committee on
Civil Service

The SPEAKER pro tempore (Mr. SMITH of Virginia). Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. LEWIS. I yield.

Mr. MURDOCK. Is this change in the law intended to apply only to communities which have no eligible persons for postmasterships?

Mr. LEWIS. That is the purpose of the bill.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the resolution. The resolution was agreed to.

Mr. RAMSPECK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 1618) to amend the act of June 25, 1938, extending the classified civil service to include postmasters of the first, second, and third classes, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 1618, with Mr. THOMAS of Texas in the chair.

The Clerk read the title of the bill.

On motion by Mr. RAMSPECK, the first reading of the bill was dispensed with.

Mr. RAMSPECK. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I do not believe there is any controversy about this bill. It has been pretty well explained in the discussion under the consideration of the rule.

The bill was sent to our committee by the Post Office Department in order that they might make legal appointments to post offices such as are described on the second page of the report, where we print the letter from the Post Office Department.

There are certain post offices, like Mount Vernon, Va., and Hopemont, W. Va., at which latter place there is a State tuberculosis sanitarium, and there are certain Army posts and veterans' facilities where, under the present language of the statute, there is no legal residents who can qualify for the position of postmaster. The purpose of this bill is to permit in those cases not the Post Office Department but the Civil Service Commission so to find and then to set up an area adjacent thereto in which they will hold examinations to secure eligibles, from whom a postmaster may be appointed.

Some question has been raised as to how far they could go under this situation. The committee endeavored to make the language just as restrictive as possible, and the language, as it is now written, really, as I recall it, was suggested by the gentlewoman from Massachusetts and I think is as tight as we can make it. If any Member has better language to suggest I should be glad to have it, because I am just as anxious as

anybody could be to see that postmasters are appointed who live in the communities they serve. In those cases where there is no legal resident, such as I have mentioned, provision must be made for the legal appointment of postmasters.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Idaho.

Mr. WHITE. The gentleman said he would be glad of suggested changes in the language of the bill. The bill relates only to first-, second-, and third-class post offices, but in many districts there are nothing but fourth-class post offices. What provision is made to take care of such cases?

Mr. RAMSPECK. The Postmaster General has authority to deal with that. Fourth-class postmasters are appointed by the Postmaster General, not the President, as are first-, second-, and third-class postmasters.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. MURDOCK. Is this legislation made necessary because of our new Army camps, cantonments, flying fields, and such facilities we are establishing under the defense program?

Mr. RAMSPECK. No; it is not. Prior to June 1938 the requirements of eligibility for appointment to the position of postmaster was that the person should be a patron of the office. The law was changed at that time and the requirement set up that he or she must be a legal resident of the community, and that brought about this situation. There are, of course, patrons of the Mount Vernon post office. The postmaster himself could be a patron, but there are no legal residents of Mount Vernon. The same thing is true of many of these military posts and veterans' hospitals.

Mr. MURDOCK. May I ask the gentleman from Georgia what is being done in the case of the new camps that are being set up 4, 5, or 6 miles away from a town?

Mr. RAMSPECK. In most cases the Post Office Department is setting up a branch of some larger post office nearby, and they are sending experienced post-office workers there. They volunteer for the service and live on the premises and serve the men in those camps.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. CANFIELD. Does the gentleman have any idea how many of these cases are now pending?

Mr. RAMSPECK. I do not believe there are very many. I hesitate to name the number. It runs in my mind that it is somewhere around 40, but I do not think that is exactly correct. I do not believe the number is large.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, does the gentlewoman from Massachusetts care to use her time?

Mrs. ROGERS of Massachusetts. Mr. Chairman, I have no requests for time. I

know our members on the committee voted unanimously to support the bill.

Mr. RAMSPECK. I thank the gentlewoman for her cooperation.

I have no further requests for time, Mr. Chairman.

The CHAIRMAN. The Clerk will read:

The Clerk read as follows:

Be it enacted, etc., That section 2 of the act approved June 25, 1938 (52 Stat. 1076), is amended by changing the period to a colon and adding thereto the following: "Provided, That residence within the delivery of the post office or within the city or town where the same is situated shall be essential to the examination, appointment, reappointment, or promotion of applicants for postmaster at offices unless the Civil Service Commission finds that peculiar local conditions preclude or render impossible the application of such requirements. In such cases the Commission may examine and certify for appointment, reappointment, or promotion persons who reside in such area adjacent to, or surrounding, the delivery zone of the post office as may be fixed by the Civil Service Commission."

The CHAIRMAN. There being no amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMAS of Texas, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 1618) to amend the act of June 25, 1938, extending the classified civil service to include postmasters of the first, second, and third classes, and for other purposes, pursuant to House Resolution 235, he reported the same back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF CLASSIFICATION ACT OF 1923, AS AMENDED

Mr. LEWIS. Mr. Speaker, I call up House Joint Resolution 236.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 1073, a bill to amend the Classification Act of 1923, as amended. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Civil Service, the bill shall be read for amendments under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LEWIS. Mr. Speaker, this also is an open rule providing for not to exceed 2 hours' general debate on H. R. 1073, a

bill which would amend the Classification Act of 1923, as amended.

There are rather technical questions involved, and in my time I shall yield to the gentleman from Georgia [Mr. RAMSPECK], the leading authority in the House of Representatives on civil-service questions. In the meantime, however, I assure the gentleman from New York [Mr. FISH] that I shall yield one-half hour as usual to him.

Mr. Speaker, I yield 10 minutes to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Speaker, I want to emphasize in the beginning the fact that this bill is not my brain child and I had nothing to do with the origin of it or with the drafting of it.

Some 2 years ago the Appropriations Committee directed the Bureau of the Budget to make a study of the question of salary advances. The Budget made this study and presented a report in writing to the chairman of the Appropriations Committee. The distinguished gentleman from Colorado [Mr. TAYLOR] noted that it proposed to amend the Classification Act which comes under the jurisdiction of the Civil Service Committee, and forwarded the report to me with the suggestion that it was a matter to be handled by the Civil Service Committee.

I introduced the bill in the exact form which the Budget Bureau suggested. We held hearings on the bill before the Civil Service Committee at which the Director of the Budget, Mr. Smith, and one of his assistants, Mr. Young, appeared and testified at length. There was also given the opportunity for testimony on the part of all Federal-employee organizations that were interested in this subject. I made quite a careful study of the report of the Budget on this subject. It is a complicated subject because it deals not with salary raises but with advancement of employees within their grade and unless a person has studied the Classification Act it is a little difficult to understand. For example, we will take a typist or a stenographer who enters the Government service at a salary of \$1,440 a year. That is the first step. They can be promoted from \$1,440 a year to \$1,500 a year, which is the second step. The next step is \$1,560 and the third step is \$1,620. That grade goes on up to a salary of \$1,800.

Under the practice existing for a number of years the various agencies of the Government have gone to the Budget and asked for money for these salary advance steps for their employees. In some cases they sold the Budget on the desirability of giving them new money for that purpose. In some cases those recommendations have come to the Appropriations Committee and have been allowed. The employees have received promotions. In other cases, for various and sundry reasons, certain agencies have not received any money for salary advances, and in some cases where they have received the money for these advances there has been discrimination, either intentional or otherwise, in the distribution of the available funds.

Under the Classification Act nobody can be advanced in salary until and unless the Congress has appropriated the money; therefore, this bill does not take away from the Appropriations Committee the right to control the amount of money that may be used for salary advances. In the fiscal year 1929 the Appropriations Committee allowed \$7,000,000 for salary advances. In the current fiscal year I do not think they appropriated anything for salary advances. This lack of uniformity and lack of sound policy in dealing with the question, of course, promotes discord and unhappiness on the part of the employees and oftentimes results in good employees leaving the service.

The Budget Bureau says that over a period of 10 years this plan will add to the annual pay roll \$29,000,000 based upon the studies it has made, or an average of \$2,900,000 a year, which I think is no more than we have been spending under a haphazard system where some employees are promoted every year, where some employees are promoted as much as a thousand dollars in 1 year, and where hundreds and thousands of employees have had no promotions for many, many years.

There has been no uniformity, there has been no plan, there has been no control over what was done with the money after it was once appropriated, except that certain temporary provisions were written into the appropriation bills from year to year by the Appropriations Committee in an effort to meet the problem as it existed. Therefore, I feel that this is an intelligent, conservative, and an economical plan that was devised by the Budget Bureau and sent to the Committee on Appropriations which in turn was sent to me.

After hearings the Civil Service Committee was convinced it was a good bill and reported the bill just as the Budget Bureau wrote it, with one exception. The Customs employees some years ago had themselves taken out from under the Classification Act and had a separate salary scale set up for that service. When this bill was before the committee they came in and asked that certain of their employees be put back under the Classification Act. That is the only amendment in the bill. It was done at the request of the employees themselves with the approval of the Budget Bureau and the people in the Budget Bureau wrote the amendment and sent it to me with their approval.

The Civil Service Commission has approved the bill. I have discussed it with several members of the Appropriations Committee, and I think that those who have had an opportunity to study it realize this is a sane, sensible approach to a very difficult, technical problem, which they themselves have been worried with year after year and which can only be solved by having some such plan as this.

If there are any questions, I will be glad to answer them.

Mr. MURDOCK. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Arizona.

Mr. MURDOCK. Does the gentleman feel that in a way this is a further step toward security of salary and pay for a Federal employee in keeping with similar steps we have taken recently in other directions?

Mr. RAMSPECK. I think it is an advantageous step for the employees in general. I would not say that it adds anything to their security. It will mean less discrimination toward many employees. I do not say that discrimination has necessarily been intentional. It is just human nature. If you are given so much money, and you have a thousand employees, and there is only enough money to promote a hundred of them, you are going to promote the one you know personally or have some interest in. That is what has happened.

Mr. MURDOCK. In the long run it will mean no more of a Federal expenditure than under the haphazard method we have been using?

Mr. RAMSPECK. The Budget Director says it will not over a period of 10 years. He says that after 10 years it will carry itself in that the necessary money will be secured through lapses and through line promotions where new employees come in at the bottom of the grade and some saving is made in that way.

Mr. MURDOCK. I have a feeling amounting to a conviction that it will increase the morale of our Federal employees.

Mr. RAMSPECK. The Director of the Budget, Mr. Smith, and his assistant, Mr. Young, both emphasized that fact. They said they thought it would.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Is it not true even under this bill that the Federal employees may not receive their increases in salary due to the fact that the Committee on Appropriations may not appropriate the money therefor?

Mr. RAMSPECK. That is true. If the Committee on Appropriations does not provide the money they cannot get it.

Mrs. ROGERS of Massachusetts. But they will have on the books the advantage of promotion?

Mr. RAMSPECK. Yes.

Mr. KEAN. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from New Jersey.

Mr. KEAN. I understand, then, that the benefit of this bill is that if Congress does appropriate the money it will go to the persons who are entitled to it under this schedule rather than to some favorites, perhaps, of the people in charge.

Mr. RAMSPECK. That is correct. Of course, as I said to my committee, and as I say here now, this legislation is of no value to anybody unless the Committee on Appropriations believes in it and follows it; but I have been told by the leaders of the Committee on Appropria-

tions that they are looking for something to regulate and rationalize the question of salary advances, and I believe they will try it. If it works, it will solve many a headache for all of us.

Mr. McLAUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Nebraska.

Mr. McLAUGHLIN. Does this bill mean that advances in salary will be controlled by the action of the Congress rather than at the discretion of the officials who now have the power to increase salaries by their recommendations?

Mr. RAMSPECK. It does not take all discretion away from the executive supervisory officials, but it does limit their discretion considerably, and limits it by action of the Congress.

Mr. McLAUGHLIN. It permits increases in salary in accordance with the bill rather than in accordance with that discretionary power?

Mr. RAMSPECK. The gentleman is correct.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. Is this bill an admission that under the civil-service practices in vogue in the Government there has been some favoritism played by some in authority in giving salary advances to certain persons under civil service who really are not entitled to it?

[Here the gavel fell.]

Mr. LEWIS. Mr. Speaker, I yield 5 additional minutes to the gentleman from Georgia.

Mr. RAMSPECK. I may say to my friend from Oklahoma that this bill deals with employees both under civil service and not under civil service. It deals with a question over which the Civil Service Commission has no control and in which it has no voice. It is true, in my judgment, that there have been discriminations in distributing money allowed by the Committee on Appropriations to various agencies for salary advances.

Mr. NICHOLS. Does this bill attempt to fix compensation for those employees only on the basis of their seniority, or does it have anything to do with paying them a salary commensurate with their efficiency?

Mr. RAMSPECK. The test in this bill is based on efficiency and not on seniority at all.

Mr. NICHOLS. I am very happy to say to my friend that I am for once with him on one of these bills. I believe it is a grand thing that somebody is now ready to admit that even under the civil-service practices there are some ills and there has been some favoritism and prejudice practiced. I am for the gentleman's bill.

Mr. RAMSPECK. I thank the gentleman from Oklahoma. I am delighted that we are together.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from North Carolina.

Mr. COOLEY. My inquiry may not be exactly pertinent to the bill under consideration, but I should like to know what will be the status of the Federal employees who are now employed in the Treasury Accounts Offices in the different States, in view of the fact that the budget for this year is \$2,025,000 as compared with a budget which was in excess of \$4,000,000 last year for that same division. I understand approximately 900 employees will very soon be dismissed from the Treasury Accounts Office. What I want to know is whether or not such employees, if retained in the service until after July 1, will be blanketed in under civil service and will be eligible for positions with other agencies of the Government requiring civil-service status.

Mr. RAMSPECK. No; they will not be blanketed in if they are dismissed before the 31st of December 1941.

Mr. COOLEY. Is this not a rather unfortunate situation for those employees, in view of the fact that the civil service Executive order goes into effect at a time when they are being forced off the rolls, and they are not now eligible for replacement in any other Federal agency?

Mr. RAMSPECK. Yes; I would say it certainly is unfortunate for them.

Mr. COOLEY. Should not something be done by the gentleman's committee to give them a status which would make them eligible for consideration with other agencies? Some of these persons have been with the Treasury Accounts from the very beginning, 5 or 6 years, and they have done faithful and diligent work. Now they are being placed in the position of just going off the roll, with no opportunity to get another job.

Mr. RAMSPECK. I shall be glad to discuss that with the gentleman at some other time. It does not affect this legislation at all.

Mr. COOLEY. No; as I pointed out, it is not pertinent to this particular bill, but it does seem to me that it is a situation which requires some attention. I wish the gentleman would give it some attention.

Mr. RAMSPECK. I am sympathetic with the gentleman's desire, of course.

Mr. COOLEY. I happen to know that many of these employees would have looked for employment elsewhere but for the fact that they have been lulled to sleep, so to speak, believing that when July 1 came they were going to be blanketed under the civil service and have that degree of security. Now they are unfortunately left out on a limb.

Mr. RAMSPECK. That is due to the fact that Congress did not appropriate enough money to continue their employment, and that simply emphasizes what I said a while ago, that no legislation dealing with the salaries of the employees is of any effect unless the Congress appropriates the money to pay them.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I believe the gentleman agrees with me that even under this bill and under the present system of efficiency rating, if the head of a section, one of the departments within a department, decides that a person does not have very much efficiency, that person will not be eligible for a good rating.

Mr. RAMSPECK. That is true. He must attain a certain efficiency rating in order to be eligible for promotion.

Mrs. ROGERS of Massachusetts. I hope the gentleman will join with me in seeing that the efficiency system is more equitably administered than it is today.

Mr. RAMSPECK. I certainly will be glad to do anything I can to improve it. [Here the gavel fell.]

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on three subjects and to include therein certain excerpts.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HALLECK. Mr. Speaker, I yield such time as he desires to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an editorial from the United States News by David Lawrence, entitled "A Billion for Peace."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

AMENDMENT OF CLASSIFICATION ACT OF 1923, AS AMENDED

Mr. HALLECK. Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Speaker, despite all of the propaganda that has been poured out upon the American people by various agencies dedicated to the cause of involving this Nation actively in foreign war, I think it may be fairly stated that the great masses of the American people are still definitely opposed to any program that will involve us again in a repetition of the disaster of 1917-18. I am satisfied that the greatest restraining influence upon this administration has been the word that has come here to the White House from millions and millions of people throughout this country who have demanded that the administration take no further steps toward involvement of this Nation actively in foreign war.

I am also satisfied that the administration has lately sent out an S O S call to governmental agencies asking them to go out into the highways and byways of America and sell the cause of participation of this Nation in this war. I have before me now actual proof of the fact that the Department of Agriculture, and especially that portion of it known as the Farm Security Administration, in a public document circulated to their agents

throughout the country, has given definite proof of the statement which I have just made. Let me read this letter, if you please, under date of May 7, 1941:

[Confidential: For administrative use only]

UNITED STATES DEPARTMENT
OF AGRICULTURE,
FARM SECURITY ADMINISTRATION,
May 7, 1941.

To: All information advisors.

From: John Fischer, Chief, Information Division.

Subject: Special memorandum on national defense (No. 8).

And may I say to the Members of the House this afternoon that there is nothing phoney about this letter. I have had this letter checked with the Farm Security Administration, and they admit that it was released by them. I presented it to the Secretary of Agriculture this morning at a conference which we had with him, and he stated that he regretted very much that this letter had ever been sent out. This is what they said:

The Department has just received information that the British shipping situation is much more serious than most Americans have realized. While the Department has the exact figures, we cannot pass them on to you for military reasons. In general, however, the situation is this:

(1) British ships are being sunk twice as fast as they can be replaced by the combined effort of British and American shipyards—and at the last report, the rate of loss was still rising.

(2) Tonnage being landed at British ports is less than half of what it was before the war.

(3) In the last month Britain has had to cut down on her imports of armaments from the United States in order to increase imports of food.

(4) The food situation of Britain is so serious that foundation herds of livestock and poultry are being slaughtered.

Department experts emphasize that these facts do not mean that England has lost the war. There is some doubt, however, whether England can hold out through the winter, if we do not take immediate and positive measures to see that American food and war materials are delivered at British ports.

What a British defeat would mean to this country should by this time be obvious to all of us. Many of the best-informed people in Washington predict an invasion of the Western Hemisphere within 90 to 120 days, if Britain is defeated.

Get this—I want this fact to sink in—

The Department feels that the American people—particularly the American farmers—do not understand these facts, and that vigorous action of the type needed, cannot be taken until this lack of understanding is remedied.

Because we must have this vigorous type of action and we cannot get it because the American people do not understand—

For this reason, every agency in the Department has been asked to do all it can to get these facts before the people.

Now, listen to this:

We cannot issue formal press releases or radio speeches on the subject for two obvious reasons—it is not the official job of the Department to discuss international affairs;

and indiscriminate broadcasting of these facts might play into the hands of the appeasement propaganda groups.

We are requested, however, to carry these facts by word of mouth to as many as possible of our own officials and other key people in Agriculture such as Farm Security Administration committeemen, etc.

There is a letter sent out by a responsible Government agency which charges that the American people, and especially the farmers, are so dumb that they do not understand and cannot appreciate what the situation is that is confronting America and, therefore, they have been apathetic in their attitude toward the vigorous steps which it is now proposed to initiate to carry out this war policy.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. Just a moment. It is my considered opinion from talks with the farm population that I represent that they are too smart for that. Do not make any mistake, Mr. Secretary of Agriculture, or the Members of this Congress. Do not think that the farm people of this country do not understand. They understand too well, and they are not going to be driven by deceitful appeals such as this into taking a position that will be a repetition of the experience which they had in 1917 and 1918. I yield to the gentleman from North Carolina.

Mr. COOLEY. Mr. Speaker, who signed the letter that the gentleman has referred to?

Mr. KEEFE. The letter is sent out by Mr. John Fisher, Chief, Information Division, of the Farm Security Administration. I say to the gentleman further that it is not in the form of a letter. It is for information, sent out to all the F. S. A. committeemen and to the responsible agencies of the Department of Agriculture scattered from one end of this Nation to the other, and there is no question about the authenticity of the letter.

Mr. COOLEY. I am not questioning that at all. I am just wondering what Secretary Wickard had to say about this.

Mr. KEEFE. Secretary Wickard said this morning when I presented the letter to him and told him that I intended to speak on it this afternoon, that it was very, very unfortunate that such a release had been permitted to go out.

Mr. COOLEY. Then it did not go out with Secretary Wickard's authority?

Mr. KEEFE. I don't know whether it did or not. I assume that it did not, in view of that statement, but what difference does it make? It went out with the authority of the Farm Security Administration.

Mr. COOLEY. I agree with the gentleman. I just wanted to know whether Mr. Wickard approved it.

Mr. KEEFE. The gentleman does not approve it, does he?

Mr. COOLEY. No.

Mr. KEEFE. Is there anybody here who approves of it?

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. Yes.

Mr. EBERHARTER. I want to say to the gentleman that I don't think there is any fact stated in that message that every Member of Congress is not familiar with—the fact as to the ship losses, and the food shortage and all those other facts. They have been known to Members of Congress.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

Mr. FISH. Mr. Speaker, I yield the gentleman 5 minutes more.

Mr. EBERHARTER. The great cry has been that the people—

Mr. KEEFE. Is the gentleman going to ask me a question?

Mr. EBERHARTER. Yes.

Mr. KEEFE. Then I wish the gentleman would please get to it.

Mr. EBERHARTER. The great cry is that the people want to know the facts. That is what the appeasement group say, and these are some of the facts being given to the people.

Mr. KEEFE. I think the gentleman does not intend to ask a question. He is making a speech.

Mr. EBERHARTER. Just one other observation—

Mr. KEEFE. I will answer the question, if it is a question. I do not yield any more. At this time I assume from what the gentleman says and in view of the fact that Members of Congress have this information, that he assumes that we are somewhat superior and the general public throughout the country does not have access to the information that we have. I say to the gentleman that it is my considered opinion that there are millions of people throughout this country who have more information on the subject than many Members of Congress. I do not think Members of Congress should pride themselves on having any peculiar information that is not available to the farmers in my district or to the miners in the gentleman's district.

Mr. EBERHARTER. Now will the gentleman answer a question?

Mr. KEEFE. If the gentleman wants to ask a question, I will.

Mr. EBERHARTER. I take it that the gentleman's position is that he does not favor the administration's policy of all-out aid to England, which, in my opinion, that letter only typifies, and that it is necessary to help in getting all-out aid to England.

Mr. KEEFE. I am glad to see that the gentleman rises on the floor any time anybody sticks a dart into the Democratic administration's policy. He is the mouthpiece, the spokesman, and defender of the administration. I am not in favor of any program on the part of this administration that has for its purpose the involvement of this Nation in Europe's wars. Is that plain?

Mr. EBERHARTER. That is not an answer to my question.

Mr. KEEFE. I cannot yield any more.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. Yes.

Mr. MICHENER. It seems to me that the regrettable part of this letter is not the information attempted to be given out but the method and the policy to which the gentleman refers—forsooth, a letter coming from a bureau in Washington headed "Confidential," the purpose of which is to stress propaganda, and is propaganda, without the people to whom it is delivered knowing the source from which it comes. This letter, coming from a high authority in Washington, directs the little agent out in the country confidentially to spread from person to person this propaganda, not let it be known from whence it came.

Mr. KEEFE. That is exactly the point. It seems to me it is beneath the dignity of a great department, such as the Department of Agriculture, to ask these agents throughout the country to do that. What do they have to fear if they published these facts to the world? What do they have to fear, if they are true, if they are the facts? What do they have to fear from publishing it on the front page of every newspaper in America? Did they ask that that be done? No. Their request was that they snoop around from person to person; go snooping around and pass this on by word of mouth. Do not let them know where it is coming from, but pass it on surreptitiously, deceitfully trying to mislead honest people, when they do not have the courage to come out and publish it on the front pages of the newspapers. That is what I object to.

I say to the gentleman from Pennsylvania [Mr. EBERHARTER] further that I do not concede for one moment the truth of these four allegations set forth in this propaganda literature. I do not concede it for a moment, and if I had time I would answer seriatim each one of these allegations and prove by very competent proof that the statements contained in this letter are propaganda and not facts.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. Yes, I yield.

Mr. DIRKSEN. For 4 years I have tried to cut the appropriation for the Farm Security Administration. Now that they are displacing the State Department, I am satisfied that we have given them too much money.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. COOLEY. Were these letters sent through the mail?

Mr. KEEFE. Yes; I understand they were sent through the mail.

Mr. COOLEY. Do we not have at present a statute that prohibits the use of the mails for such purposes?

Mr. KEEFE. Well, the gentleman knows we have Federal laws on the statute books for everything. Are they enforced? Of course they are not. The question is an academic one.

Mr. COOLEY. Has the gentleman called attention to the fact that perhaps the author of that letter was violating a Federal law in that he was using the mails for a purpose which was prohibited?

Mr. KEEFE. Oh, well, I was not interested in that subject. I am interested in a much greater subject, as to whether or not the Department of Agriculture or any of its agencies are to be engaged in a snooping campaign of this character. A great agency of the Government, that should have the courage to come out and tell the people honestly and truthfully the facts as they see them, instead of asking their agents to go snooping around from person to person, by word of mouth, trying to put over their vicious propaganda.

Mr. COOLEY. Is not the gentleman interested in stopping such procedure?

Mr. FISH. Will the gentleman yield?

Mr. KEEFE. I yield.

Mr. FISH. I believe the House owes a deep debt of gratitude to the gentleman from Wisconsin. Whether you are Democrats or Republicans, as Americans you are talking about the most important issue that confronts the country. This is a deliberate conspiracy to try to break down the will, through trickery, of the American farmer who wants to stay out of war.

Mr. KEEFE. Yes, and as further evidence of the situation, at the same time this communication went out we have the spectacle of the Secretary of Agriculture himself going out into the Middle West making warlike speeches, telling the farmers, it is time for you to get excited. You should get excited. Why are you so apathetic about this thing? Are you not aware of the dangers? You people here in the Middle West do not seem to understand. You do not know anything. You are so apathetic. I plead with you to get excited. That is the Secretary of Agriculture himself.

Mr. COOLEY. Will the gentleman yield further?

Mr. KEEFE. I yield.

Mr. COOLEY. The gentleman is certainly interested in stopping the very thing he is complaining about.

Mr. KEEFE. Of course I would.

Mr. COOLEY. Would you not like to stop it?

Mr. KEEFE. Yes.

Mr. COOLEY. I asked the question why the gentleman did not call it to the attention of the Secretary that it might perhaps be a violation of Federal law.

Mr. KEEFE. Perhaps that will be an afterthought. I am not interested in that at this time.

Mr. ELSTON. The Secretary of Agriculture has an attorney general from whom he can get an opinion if he wants one.

Mr. KEEFE. Yes.

Mr. VORYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. VORYS of Ohio. As to the remedy suggested by the gentleman from North Carolina, I took occasion last year to call to the attention of the then Secretary of Agriculture, now the Vice President, a violation of law in sending out material, and he ignored it. The gentleman can draw his own conclusion.

Mr. KEEFE. I thank the gentleman for his suggestion as to how this can be stopped.

I regret I am compelled to consider the suggestion of the gentleman from South Carolina as being purely academic. In the next place, I am not going to waste my time going down there, because prior experiences with the same problem in other agencies of the New Deal show the futility of expecting any action. I have more important things to do here. I am calling the attention of Congress to these facts, and if the Congress has any backbone at all it ought to deal with and stop this sort of thing.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield the gentleman from Wisconsin 2 additional minutes, and I express the hope that he will yield to some of the farmers who want to ask questions.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. MUNDT. I am very glad the gentleman has brought this matter to the attention of the House; and in regard to this matter of trying to influence the opinions of the farmers, I quote from the United States News of June 13, page 44, a reliable, reputable periodical, which says:

The effort to sell the idea of the United States intervention to farmers through A. A. committees backfired so seriously that officials were forced to deny its sponsorship.

I am mighty glad the gentleman has made them admit sponsorship through this letter.

Mr. KEEFE. I can simply say that this matter has been fully verified by my colleague the gentleman from Wisconsin [Mr. MURRAY], a member of the Committee on Agriculture. The Farm Security Administration fully verifies the accuracy of this release. Mr. Wickard himself stated to me this morning, as I have already said, that it was a very unfortunate thing that this release went out. How much more confirmation is needed?

Mr. GEHRMANN. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. GEHRMANN. As the gentleman well knows, about 2 weeks ago I made some remarks on the floor referring to this matter. I did not then know a letter had gone out, but I did know that I received hundreds of letters from farmers wanting to know the source of these suggestions, that these Government representatives were urging them to support conveying in order to boost farm prices. I called it to the attention of the Department of Agriculture, but they denied knowing anything about it.

Mr. KEEFE. I thank the gentleman for his contribution. Perhaps this little effort has been worth while. We have at least cleared up one thing and established that the Department of Agriculture is not above stooping to this sort of snooping tactics of deceit and chicanery to try to influence the farm population of this

country, whom they greatly underestimate. The farmers of this country know what it is all about, and because they do know what it is all about they are against this war program.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I want to get back to a consideration of the pending bill for a few minutes. I have one other request for time and after taking a minute on the bill I shall yield to a distinguished Member of the House who does not appear very often, who also wants to make a few remarks on the foreign situation.

Mr. Speaker, this bill comes before the House with a unanimous report of the Committee on Rules and with practically a unanimous report from the Committee on the Civil Service. It has the backing of those interested in civil service, including organized labor, for it aims to bring about promotions within the civil-service ranks, to provide for step-ups within the grade, and increased salaries. Certainly so far no serious objection has been made to the merits of the proposal. All those supporting the bill claim it will promote the prestige and the morale of the civil service. If this is correct, then the bill is worth while.

The bill is a complicated one. It requires a great deal of study. It has, however, the unanimous support of the committee, and I hope it will be passed by a unanimous vote.

Now, Mr. Speaker, I yield to one of those Members who is not heard very often in the Congress, but when this Member does speak he is listened to almost with reverence; I yield the balance of my time to the distinguished gentleman from Massachusetts [Mr. TINKHAM].

Mr. TINKHAM. Mr. Speaker, on June 7 last I sent the following letter to the Secretary of the Navy:

DEAR SIR: I desire to bring to your attention that there is being circulated in the United States literature on stationery bearing the caption "Federal Union." The location of the organization is given as 10 East Fortieth Street, New York. Its declared purpose, according to its prospectus, is to destroy the Declaration of Independence and to curtail the sovereignty and independence of the United States. On its stationery there appears a partial list of council of advisers, and in this list I find the names of Admiral W. H. Standley and Rear Admiral H. E. Yarnell. As the declared purpose of the organization is disloyal and traitorous, inasmuch as it would destroy the independence of the United States and restore this country to the British Empire, I demand that these officers be compelled to sever their affiliation with Federal Union, that they be censured, and that they be removed from the retired list of the United States Navy.

On the same date a similar letter was sent to the Secretary of War in the case of Maj. Gen. G. V. Strong, whose name also appeared in the partial list of council of advisers.

No answer has been received from the Navy Department. The War Department has reported that General Strong has stated that he had not authorized the

use of his name on any letterhead and that he had never attended a meeting of the council of advisers.

The objectives of Federal Union are not new. For many years a number of disloyal and seditious organizations have been spending immense sums of money in the United States for the denationalization of the United States, the destruction of the freedom and independence of the United States, the abrogation of our Declaration of Independence, the superseding of our Constitution, and the restoration of the United States to the British Empire.

The organization that now styles itself "Federal Union" is the outgrowth of the so-called Union Now movement advocated and promoted by Clarence K. Streit.

It is shocking to find on the council of advisers of this organization, whose declared purpose is to destroy the Declaration of Independence and to curtail the sovereignty and independence of the United States, high-ranking officers of our Army and Navy who are sworn to support and defend the Constitution of the United States. The United States cannot be destroyed from without, but it can be destroyed from within.

In Senate Document No. 182, Seventy-sixth Congress, a report on schools and training courses in Government departments, it is suggested that there is a "tie-in" between lectures scheduled by the Department of Agriculture Graduate School and the movement sponsored by Federal Union. This report, which came to Congress in April 1940, included the statement:

Judging by press releases of the past few months and public utterances of Government officials in high places, the movement has gained such headway as to receive official sanction and advocacy.

The time has come to cleanse the United States Government of those seditious individuals, particularly those in high places, who would destroy the independence of the United States, subvert her national integrity, and nullify her Constitution.

Mr. LEWIS. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. RAMSPECK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 1073) to amend the Classification Act of 1923, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 1073) to amend the Classification Act of 1923, as amended, with Mr. KLEBERG in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Georgia [Mr. RAMSPECK] is recognized for 1 hour and the gentlewoman from Mas-

sachusetts [Mrs. ROGERS] is recognized for 1 hour.

The gentleman from Georgia.

Mr. RAMSPECK. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I went into some explanation of this bill during the consideration of the rule. I do not believe it is necessary for me to go into it further unless some Member has a question about it. As I said then, the bill is one which was drafted after 2 years of study of this problem by the Bureau of the Budget. They feel that in the long run it will result in better efficiency in the Government service and perhaps in an actual saving of money, but certainly in no more cost than we would have under the other system which is a haphazard system and oftentimes works inequalities in the distribution of funds allowed by the Appropriations Committee for salary increases.

The matter, as I said, was initiated by the Appropriations Committee. A study was made at its instance, and a report was made, which was sent to me by the chairman of the Appropriations Committee and I introduced the bill as drafted by the Budget. I think it is a step forward, and one that will certainly result in more efficient and more satisfactory service on the part of the various agencies of the Government. Speaking conservatively, it will not cost any more than has been spent under the other system, and perhaps not as much.

Mr. COFFEE of Washington. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Washington.

Mr. COFFEE of Washington. I wonder if the gentleman would be good enough to explain to the Committee, in case any of the Members are confused, that the customs employees are thoroughly taken care of under this bill?

Mr. RAMSPECK. This bill as originally drafted did not affect any of the employees in the Customs Service because they were not under the Classification Act. At their own suggestion, and because of it, the amendment found on page 5 of the bill as section 5 (a) was inserted in the bill for the purpose of taking care of verifiers, openers, packers, guards, inspectors, and station inspectors in the Customs Service. They will be taken out of what is known as the Bachrach Act if this amendment is agreed to and will be returned to the jurisdiction of the Classification Act for salary purposes and, of course, will benefit from whatever salary advancement comes from this bill.

It has met with their approval, and as I said it was introduced at their request. The language has been approved by the Bureau of the Budget. The gentleman from Massachusetts [Mr. McCormack] is very much interested in that matter and was instrumental in working it out to the satisfaction of everyone.

Mr. MURDOCK. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Arizona.

Mr. MURDOCK. I wish to make just one observation and pay a compliment to the gentleman from Georgia, who has brought in this bill, together with other measures recently, for the good of the Service. I have received word from numerous Federal employees commending the gentleman from Georgia for the work he has done. I regard the measure before us as supplemental in a fashion to a bill we passed, which will go into effect on July 1. I believe it is H. R. 960. Both of these will help to better the lot and improve the spirit of Government workers.

Mr. RAMSPECK. I thank the gentleman for his observation.

Mr. COFFEE of Washington. I think I would be remiss if I let the opportunity go by without expressing my appreciation to the gentleman as chairman of

the committee of which I am a member for the fine work he has done in upholding the principles of civil service in the United States. I believe the cordial reception being given to this bill by the membership of the House today is a tribute of their confidence in the gentleman's ability, integrity, and fairness at all times.

Mr. RAMSPECK. I thank the gentleman.

Mr. Chairman, I reserve the balance of my time.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, there are one or two things I would like to point out to the Committee regarding this bill. It seems to me it is a step in the right direction, although until the efficiency system in the Government is rectified there are no assurances that the people in the various

departments will be given the proper ratings before they receive any promotion which would come under this bill. The present system has been extremely bad. In fact, the Appropriations Committee did not like it, either. It developed that certain departments received large appropriations for their personnel, while other departments received nothing. Under this bill that situation will be obviated in a large measure.

Mr. Chairman, I ask unanimous consent to have inserted in the Record at this point a table showing the amount and other facts pertinent to the bill as a part of my remarks.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Massachusetts [Mrs. ROGERS]?

There was no objection.

Statement of promotions and separations during fiscal year ending June 30, 1939, by departments and agencies and by departmental and field services

Departments and agencies	Number of em- ployees on pay roll June 30, 1939 ¹	Promotions in fiscal year 1939								Separations during fiscal year 1939							
		Number of em- ployees promoted	Percent ²	Type of promotion						Retirements, deaths, resigna- tions, and termi- nations for cause		Transfers to other departments or agencies		Combined separations and transfers			
				Within grade		Line		Reclassification									
				Number	Percent ²	Number	Percent ²	Number	Percent ²	Number	Percent ²	Number	Percent ²	Number	Percent ²	Number	Percent ²
Executive Office:																	
Departmental.....	244.0	83.0	34.0	48.0	19.7	31	12.7	4	1.6	5	2.0	8	3.3	13	5.3		
Field.....	6.0																
Total.....	250.0	83.0	33.2	48.0	19.2	31	12.4	4	1.6	5	2.0	8	3.2	13	5.2		
DEPARTMENTS																	
Agriculture:																	
Departmental.....	12,355.0	3,934.0	31.8	3,512.0	28.4	1,289	10.4	133	1.1	535	4.3	468	3.8	1,003	8.1		
Field.....	26,274.0	8,597.0	32.7	5,294.0	20.1	2,035	7.7	1,268	4.8	1,215	4.6	258	1.0	1,473	5.6		
Total.....	38,629.0	12,531.0	32.4	8,806.0	22.8	3,324	8.6	1,401	3.6	1,750	4.5	726	1.9	2,476	6.4		
Commerce:																	
Departmental.....	4,119.0	1,290.0	31.3	509.0	12.4	284	6.9	497	12.1	140	3.4	170	4.1	310	7.5		
Field.....	1,162.0	676.0	58.2	219.0	18.9	54	4.6	403	34.7	64	5.5	17	1.5	81	7.0		
Total.....	5,281.0	1,966.0	37.2	728.0	13.8	338	6.4	900	17.0	204	3.9	187	3.5	391	7.4		
Interior:																	
Departmental.....	2,881.0	1,373.0	47.7	909.0	31.6	257	8.9	207	7.2	159	5.5	178	6.2	337	11.7		
Field.....	14,778.0	3,998.0	27.1	2,653.0	18.0	620	4.2	725	4.9	837	5.7	178	1.2	1,015	6.9		
Total.....	17,659.0	5,371.0	30.4	3,562.0	20.2	877	5.0	932	5.3	996	5.6	356	2.0	1,352	7.7		
Justice:																	
Departmental.....	2,901.0	887.0	30.6	537.0	18.5	408	14.1	7	.2	101	3.5	65	2.2	166	5.7		
Field.....	3,921.0	1,294.0	33.0	679.0	17.3			615	15.7	210	5.4	16	.4	226	5.8		
Total.....	6,822.0	2,181.0	32.0	1,216.0	17.8	408	6.0	622	9.1	311	4.6	81	1.2	392	5.7		
Labor:																	
Departmental.....	1,743.0	297.0	17.0	58.0	3.3	178	10.2	61	3.5	47	2.7	69	4.0	116	6.7		
Field.....	2,836.0	924.0	32.6	884.0	31.2	36	1.3	4	.1	95	3.3	25	.9	120	4.2		
Total.....	4,579.0	1,221.0	26.7	942.0	20.6	214	4.7	65	1.4	142	3.1	94	2.1	236	5.2		
Navy:																	
Departmental.....	3,186.0	1,179.0	37.0	620.0	19.5	415	13.0	144	4.5	93	2.9	48	1.5	141	4.4		
Field.....	12,633.0	3,655.0	29.0	1,673.0	13.2	1,667	13.2	315	2.5	432	3.4	137	1.1	569	4.5		
Total.....	15,819.0	4,834.0	30.6	2,293.0	14.5	2,082	13.2	459	2.9	525	3.3	185	1.2	710	4.6		
Post Office:																	
Departmental.....	1,289.0	504.0	39.1	410.0	31.8	65	5.0	29	2.2	40	3.1	47	3.6	87	6.7		
Field.....	14,339.0	923.0	6.4	449.0	3.1	441	3.1	33	.2	451	3.1	176	1.2	627	4.4		
Total.....	15,628.0	1,427.0	9.1	859.0	5.5	506	3.2	62	.4	491	3.1	223	1.4	714	4.6		
State:																	
Departmental.....	959.0	495.0	51.6	345.0	36.0	111	11.6	39	4.1	48	5.0	15	1.6	63	6.6		
Field.....	334.0	38.0	11.4	33.0	9.9	3	.9	2	.6	33	9.9	8	2.4	41	12.3		
Total.....	1,293.0	533.0	41.2	378.0	29.2	114	8.8	41	3.2	81	6.3	23	1.8	104	8.0		

¹ Includes only permanent employees in positions subject to compensation schedules in the Classification Act of 1923. Does not include employees in Executive-order grades and vacant positions. Note that this coverage is smaller than in the survey reported in tables VI and VII.

² Percent of total number of employees on pay roll June 30, 1939.

Statement of promotions and separations during fiscal year ending June 30, 1939, by departments and agencies, and by departmental and field services—Continued

Departments and agencies	Number of employees on pay roll June 30, 1939	Number of employees promoted	Percent	Promotions in fiscal year 1939						Separations during fiscal year 1939					
				Type of promotion						Retirements, deaths, resignations, and terminations for cause		Transfers to other departments or agencies		Combined separations and transfers	
				Within grade		Line		Reclassification		Number	Percent	Number	Percent	Number	Percent
				Number	Percent	Number	Percent	Number	Percent						
Treasury:															
Departmental.....	11,616.0	3,035.0	26.1	1,984.0	17.1	937	8.1	114	1.0	458	3.9	493	4.2	951	8.2
Field.....	23,566.0	5,114.0	21.7	3,438.0	14.6	802	3.4	874	3.7	1,049	4.4	51	.2	1,100	4.7
Total.....	35,182.0	8,149.0	23.2	5,422.0	15.4	1,739	4.9	988	2.8	1,507	4.3	544	1.5	2,051	5.8
War:															
Departmental.....	2,768.0	849.0	30.7	608.0	22.0	175	6.3	66	2.4	98	3.5	101	3.6	199	7.2
Field.....	32,016.0	8,548.0	26.7	5,630.0	17.6	1,973	6.2	945	3.0	1,256	3.9	539	1.7	1,795	5.6
Total.....	34,784.0	9,397.0	27.0	6,238.0	18.0	2,148	6.2	1,011	2.9	1,354	3.9	640	1.8	1,994	5.7
INDEPENDENT AGENCIES AND ESTABLISHMENTS															
Federal Loan Agency:															
Departmental.....	1,587.0	555.0	35.0	231.0	14.6	119	7.5	205	12.9	109	6.9	46	2.9	155	9.8
Field.....	61.0	32.0	52.5	32.0	52.5					2	3.3			2	3.3
Total.....	1,648.0	587.0	35.6	263.0	16.0	119	7.2	205	12.4	111	6.7	46	2.8	157	9.5
Federal Security Agency:															
Departmental.....	6,808.0	5,913.0	86.9	3,953.0	58.1	1,922	28.2	38	.6	361	5.3	708	10.4	1,069	15.7
Field.....	9,093.3	5,851.5	64.3	4,224.5	46.5	1,531	16.8	96	1.1	597	6.6	217	2.4	814	9.0
Total.....	15,901.3	11,764.5	74.0	8,177.5	51.4	3,453	21.7	134	.8	958	6.0	925	5.8	1,883	11.8
Federal Works Agency:															
Departmental.....	7,218.0	4,661.0	64.6	4,052.0	56.1	688	9.5	306	4.2	409	5.7	270	3.7	679	9.4
Field.....	4,007.0	1,399.0	34.9	981.0	24.5	468	11.7	67	1.7	221	5.5	121	3.0	342	8.5
Total.....	11,225.0	6,060.0	54.0	5,033.0	44.8	1,156	10.3	375	3.3	630	5.6	391	3.5	1,021	9.1
Alley Dwelling Authority:															
Departmental.....	31.0	9.0	29.0	8.0	25.8	1	3.2								
Field.....															
Total.....	31.0	9.0	29.0	8.0	25.8	1	3.2								
American Battle Monuments Commission:															
Departmental.....	8.0	7.0	37.5	3.0	37.5								12.5	1	12.5
Field.....	34.0	12.0	35.3	11.0	32.4	1	2.9			1	2.9	1	2.9	2	5.9
Total.....	42.0	15.0	35.7	14.0	33.3	1	2.4			1	2.4	2	4.8	3	7.1
U. S. Board of Tax Appeals:															
Departmental.....				17.0	15.3			7	6.3	4	3.6	1	.9	5	4.5
Field.....	111.0	24.0	21.6												
Total.....	111.0	24.0	21.6	17.0	15.3			7	6.3	4	3.6	1	.9	5	4.5
Civil Aeronautics Authority:															
Departmental.....	889.0	240.0	27.0	15.0	1.7	219	24.6	6	.7	88	9.9	14	1.6	102	11.5
Field.....	2,880.0	717.0	33.2	5.0	.2	593	20.6	119	4.1	154	5.3	22	.8	176	6.1
Total.....	3,769.0	957.0	25.4	20.0	.5	812	21.5	125	3.3	242	6.4	36	1.0	278	7.4
Civil Service Commission:															
Departmental.....	1,204.0	372.0	30.9	5.0	.4	342	28.4	25	2.1	38	3.2	50	4.2	88	7.3
Field.....	434.0	164.0	37.8	1.0	.2	135	31.1	28	6.5	17	3.9	13	3.0	30	6.9
Total.....	1,638.0	536.0	32.7	6.0	.4	477	29.1	53	3.2	55	3.4	63	3.8	118	7.2
Employees' Compensation Commission:															
Departmental.....	460.0	107.0	23.3	2.0	.4	68	12.6	47	10.2	33	7.2	54	11.7	87	18.9
Field.....	56.0	7.0	12.5			4	7.1	3	5.4	2	3.6	1	1.8	3	5.4
Total.....	516.0	114.0	22.1	2.0	.4	62	12.0	50	9.7	35	6.8	55	10.7	90	17.4
Federal Communications Commission:															
Departmental.....	403.0	56.0	13.9	6.0	1.5	62	15.4	2	.5	21	5.2	16	4.0	37	9.2
Field.....	193.0	15.0	7.8			1	.5	16	8.3	4	2.1	5	2.6	9	4.7
Total.....	596.0	71.0	11.9	6.0	1.0	63	10.6	18	3.0	25	4.2	21	3.5	46	7.7
Federal Power Commission:															
Departmental.....	539.0	199.0	36.9	124.0	23.0	91	16.9	1	.2	29	5.4	17	3.2	46	8.5
Field.....	275.0	84.0	30.5	75.0	27.3	16	5.8	2	.7	14	5.1	4	1.5	18	6.5
Total.....	814.0	283.0	34.8	199.0	24.4	107	13.1	3	.4	43	5.3	21	2.6	64	7.9
Federal Trade Commission:															
Departmental.....	591.0	541.0	40.8	196.0	33.2	49	8.3	1	.2	20	3.4	10	1.7	59	5.1
Field.....	89.0	26.0	29.2	15.0	16.9	11	12.4			2	2.2	1	1.1	3	3.4
Total.....	680.0	267.0	39.3	211.0	31.0	60	8.8	1	.2	22	3.2	11	1.6	33	4.9
General Accounting Office:															
Departmental.....	2,338.0	487.0	20.8	95.0	4.1	392	16.8			54	2.3	19	.8	73	3.1
Field.....															
Total.....	2,338.0	487.0	20.8	95.0	4.1	392	16.8			54	2.3	19	.8	73	3.1

Statement of promotions and separations during fiscal year ending June 30, 1939, by departments and agencies, and by departmental and field services—Continued

Departments and agencies	Number of employees on pay roll June 30, 1939	Promotions in fiscal year 1939								Separations during fiscal year 1939					
		Number of employees promoted	Percent	Type of promotion						Retirements, deaths, resignations, and terminations for cause		Transfers to other departments or agencies		Combined separations and transfers	
				Within grade		Line		Reclassification							
				Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Interstate Commerce Commission:															
Departmental.....	1,844.0	601.0	32.6	389.0	21.1	186	10.1	26	1.4	64	3.5	132	7.2	196	10.6
Field.....	746.0	180.0	24.1	141.0	18.9	39	5.2			38	5.1	12	1.6	50	6.7
Total.....	2,590.0	781.0	30.2	530.0	20.5	225	8.7	26	1.0	102	3.9	144	5.6	246	9.5
Maritime Commission															
Departmental.....	816.0	378.0	46.3	284.0	34.8	111	13.6	17	2.1	23	4.0	11	1.3	44	5.4
Field.....	260.0	113.0	43.5	102.0	39.2	16	6.2	1	.4	9	3.5	3	1.2	12	4.6
Total.....	1,076.0	491.0	45.6	386.0	35.9	127	11.8	18	1.7	42	3.9	14	1.3	56	5.2
Maritime Labor Board:															
Departmental.....	20.0	9.0	45.0	4.0	20.0	5	15.0	2	10.0			4	20.0	4	20.0
Field.....															
Total.....	20.0	9.0	45.0	4.0	20.0	3	15.0	2	10.0			4	20.0	4	20.0
National Advisory Committee for Aeronautics:															
Departmental.....	53.0	10.0	18.9	7.0	13.2	3	5.7					3	5.7	3	5.7
Field.....	467.0	235.0	50.3	210.0	45.0	25	5.4			18	3.9	21	4.5	39	8.4
Total.....	520.0	245.0	47.1	217.0	41.7	28	5.4			18	3.5	24	4.6	42	8.1
National Archives:															
Departmental.....	342.0	223.0	65.2	153.0	44.7	66	19.3	4	1.2	18	5.3	5	1.5	23	6.7
Field.....															
Total.....	342.0	223.0	65.2	153.0	44.7	66	19.3	4	1.2	18	5.3	5	1.5	23	6.7
National Capital Park and Planning Commission:															
Departmental.....															
Field.....	8.0	6.0	75.0	5.0	62.5	1	12.5			1	12.5	1	12.5	2	25.0
Total.....	8.0	6.0	75.0	5.0	62.5	1	12.5			1	12.5	1	12.5	2	25.0
National Labor Relations Board:															
Departmental.....	425.0	254.0	59.8	181.0	42.6	98	23.1	24	5.6	25	5.9	8	1.9	33	7.8
Field.....	378.0	271.0	71.7	201.0	53.2	112	29.6			25	6.6			25	6.6
Total.....	803.0	525.0	65.4	382.0	47.6	210	26.2	24	3.0	50	6.2	8	1.0	58	7.2
National Mediation Board:															
Departmental.....	20.0	4.0	20.0	3.0	15.0	1	5.0					1	5.0	1	5.0
Field.....	48.0					1	2.1			2	4.2			2	4.2
Total.....	68.0	4.0	5.9	3.0	4.4	2	2.9			2	2.9	1	1.5	3	4.4
Railroad Retirement Board:															
Departmental.....	1,354.0	298.0	22.0	93.0	6.9	205	15.1			54	4.0	28	2.1	82	6.1
Field.....	1,182.0	105.0	8.9	7.0	.6	98	8.3			6	.5	1	.1	7	.6
Total.....	2,536.0	403.0	15.9	100.0	3.9	303	11.9			60	2.4	29	1.1	89	3.5
Securities and Exchange Commission:															
Departmental.....	1,265.0	871.0	68.9	679.0	53.7	181	14.3	11	.9	49	3.9	53	4.2	102	8.1
Field.....	352.0	220.0	62.5	197.0	56.0	23	6.5			14	4.0	5	1.4	19	5.4
Total.....	1,617.0	1,091.0	67.5	876.0	54.2	204	12.6	11	.7	63	3.9	58	3.6	121	7.5
Smithsonian Institution:															
Departmental.....	400.7	49.0	12.2	35.0	8.7	14	3.5			18	4.5	7	1.7	25	6.2
Field.....															
Total.....	400.7	49.0	12.2	35.0	8.7	14	3.5			18	4.5	7	1.7	25	6.2
U. S. Tariff Commission:															
Departmental.....	305.0	111.0	36.4	68.0	22.3	28	9.2	15	4.9	8	2.6	9	3.0	17	5.6
Field.....	8.0	2.0	25.0	2.0	25.0										
Total.....	313.0	113.0	36.1	70.0	22.4	28	8.9	15	4.8	8	2.6	9	2.9	17	5.4
Veterans' Administration:															
Departmental.....	4,949.0	1,551.0	31.3	1,277.0	25.8	245	5.0	29	.6	187	3.8	250	5.1	437	8.8
Field.....	33,257.0	8,603.0	25.9	7,087.0	21.3	1,403	4.2	113	.3	3,638	10.9	88	.3	3,726	11.2
Total.....	38,206.0	10,154.0	26.6	8,364.0	21.9	1,648	4.3	142	.4	3,825	10.0	338	.9	4,163	10.9
Federal Deposit Insurance Corporation:															
Departmental.....	446.0	200.0	44.8	188.0	42.2	12.0	2.7			20	4.5	3.0	.7	23.0	5.2
Field.....	545.0	357.0	65.5	333.0	61.1	24.0	4.4			7	1.3			7.0	1.3
Total.....	991.0	557.0	56.2	521.0	52.6	36.0	3.6			27	2.7	3.0	.3	30.0	3.0
District of Columbia:															
Departmental.....	4,408.0	355.5	80.6	91.0	2.1	177.5	4.0	87	2.0	420	9.5	60.5	1.4	480.5	10.9
Field.....															
Total.....	4,408.0	355.5	80.6	91.0	2.1	177.5	4.0	87	2.0	420	9.5	60.5	1.5	480.5	10.9
Panama Canal:															
Departmental.....	93.0	25.0	26.9	24.0	25.8	1.0	1.1					5.0	5.4	5.0	5.4
Field.....															
Total.....	93.0	25.0	26.9	24.0	25.8	1.0	1.1					5.0	5.4	5.0	5.4

Mrs. ROGERS of Massachusetts. Mr. Chairman, I also ask unanimous consent that the complete committee report which accompanies the bill may be inserted as a part of my remarks.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Massachusetts [Mrs. ROGERS]?

There was no objection.

The report follows:

[H. Rept. No. 533, 77th Cong., 1st sess.]

The Committee on the Civil Service, to whom was referred the bill (H. R. 1073) to amend the Classification Act of 1923, as amended, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

On page 3, beginning on line 11, strike out first sentence of section 2 (f) and insert the following sentence in lieu thereof:

"Within the limit of available appropriations, and in recognition of especially meritorious services, the head of any department or agency is authorized to make additional within-grade compensation advancements, but any such additional advancements shall not exceed one step, and no employee shall be eligible for more than one additional advancement hereunder within each of the time periods specified in subsection (b)."

On page 4, between lines 19 and 20, insert a new section 5, as follows:

"Sec. 5. (a) Title II of the act of November 26, 1940, entitled 'An act extending the classified executive civil service of the United States' is hereby amended by deleting from section 3 (d) (viii) the words 'verifiers, openers, packers, guards, inspectors, station inspectors' so that the paragraph as amended will read as follows:

"(viii) Offices or positions of clerks and laborers in the Customs Service of the Treasury Department, the compensation of which is fixed under an act of Congress approved May 29, 1928 (45 Stat. 955), as amended."

"(b) Upon the passage of this act, the Secretary of the Treasury shall allocate to the services and grades of the compensation schedules of the Classification Act of 1923, as amended, the other positions heretofore covered by said act of May 29, 1928, in the same manner as other positions in the field service of the Treasury Department are allocated under section 2 of July 3, 1930 (46 Stat. 1003).

"(c) Nothing contained in this section shall be construed to decrease the existing compensation of any employee, but when his position shall become vacant it shall be filled in accordance with the regular compensation schedule applicable to such position."

On page 4, line 20, strike out "5" and insert "6."

On page 4, line 23, strike out "6" and insert "7."

On page 4, line 25, strike out "7" and insert "8."

On page 4, line 25, after the words "effect on", insert "July 1, 1941."

GENERAL STATEMENT

This bill is the result of a study made by the Bureau of the Budget pursuant to a request of the House Committee on Appropriations expressed in House Report No. 98, dated February 24, 1939, on the Treasury and Post Office Departments appropriation bills, fiscal year 1940.

It is not a pay-raise bill, but is a plan to regulate the granting of increases in pay to Government employees on a uniform and definite basis, pursuant to the terms and conditions set forth in the proposal.

It is believed that there is hardly a Member of Congress who has not at some time or other had complaints from Government employees that they have not received increases in pay for long periods of time; that

when raises are given, favoritism and other factors have played a part. The purpose of this bill is to set up a uniform and fair plan for handling this problem. It aims to bring order out of chaos, and fairness so far as is humanly possible.

The Classification Act which defines and sets up the various grades and rates of pay for governmental employees was originally passed by the Congress in 1923. That law and amendments contemplated that employees who performed their duties efficiently could advance within their grades, and from grade to grade, when their records and qualifications justified it. However, no uniform system has ever been established for granting pay raises. Various departments and agencies of the Government have made representations to the Bureau of the Budget and the Committee on Appropriations for specific amounts for this purpose. The result has been, dependent upon the activity of the particular agency involved, that some departments and agencies have received much more liberal treatment than others. Furthermore after lump sums were granted in the various appropriation bills for salary increases, the discretion has been left entirely in the hands of the administrators of those departments and agencies as to how such funds would be distributed. The only check or system, if it could be called that, has been contained in the language of the various appropriation bills known as the "average clause," and the provisions contained in appropriation bills for the last year or so, requiring the Bureau of the Budget to determine what amounts should be available to the various departments and agencies for administrative within-grade promotions.

This problem has given the Appropriations Committee much difficulty. Your committee has conducted hearings on this bill, invited the chairman and subcommittee chairmen of the Appropriations Committee to appear, and had the assurance that, if we could work out a feasible plan in conjunction with the Bureau of the Budget, cooperation would be given in getting consideration by the House.

It is believed the statement by Mr. Harold D. Smith, Director of the Bureau of the Budget, to the committee is a fair and concise description of the bill and its purposes. For the information of the House his statement is printed at this point.

"In the first session of the Seventy-sixth Congress, the Appropriations Committee of the House of Representatives requested the Bureau of the Budget to make a survey of the situation throughout the Federal Government service regarding administrative promotions in order that a uniform salary-advancement plan might be developed. The committee request is contained in the following excerpt from the report on the Treasury and Post Office Department's appropriation bill, fiscal year 1940 (76th Cong., 1st sess., Rept. No. 98, p. 7):

"It appears that there has never been any well-defined policy in the matter of affording salary step-ups in the various departments and independent agencies of the Government within grades of the Classification Act. * * *

"This lack of consistent approach to this most important problem has resulted in inequities and lack of the uniformity in pay contemplated by the Classification Act. It becomes self-evident to the committee, therefore, that the Bureau of the Budget should undertake a scientific appraisal of this entire question with a view of arriving at some means and method whereby uniformity of treatment in the matter of advances within grades, based on efficiency, may be attained."

"After receiving the committee's request, the Bureau of the Budget made a survey of the facts regarding salary advancement in the departments and agencies of the Government at the close of the fiscal year 1939. This study confirmed the impression that

there had been widespread differences in the opportunities for salary advancements and inconsistencies in the manner in which such increases had been handled among various departments and agencies.

"The more important conditions revealed by our survey and which stand in need of correction are the following:

"1. Employees of the Government holding positions subject to the compensation schedules of the Classification Act have been at a substantial disadvantage relatively in the matter of salary advancement by comparison with employees occupying positions in services covered by statutory promotion plans.

"2. Employees occupying field positions have been under relative disadvantage by comparison with employees occupying departmental positions in Washington.

"3. Substantial differences have been found in the opportunities for salary advancement as between employees in high- and low-salary brackets.

"4. Considerable numbers of efficient employees have remained on the pay roll for periods of 3 years or longer without any increase in salary.

"5. The present lack of controls on salary advancement leaves such wide administrative discretion that uniform standards for determining eligibility for advancement have not resulted.

"6. Employees in agencies financed from relatively small and limited salary appropriations have been at a disadvantage in comparison with employees in agencies financed from large lump-sum appropriations.

"7. In the absence of a uniform salary advancement plan and because of the different methods of appropriating funds, it has been difficult for Congress, for the Bureau of the Budget, and for the departments and agencies to be consistent in the provision for and use of funds for salary advancement.

"8. The 'average clause' contained in appropriation bills seemed necessary in the absence of other effective controls on salary advancement. Although this clause affects a relatively small group of employees at the present time, it presents an arbitrary barrier to salary advancement for the employees affected without regard to their efficiency, length of service, or value to an organization.

"The Appropriations Committee's request for this study stressed the need for uniformity in salary-advancement policies. Uniformity carries with it, however, an inevitable limiting of administrative discretion. Discretion in granting salary advancement is considered by many administrators as an essential prerequisite to the full utilization of the incentive value of promotions. Freedom of administrative discretion is the antithesis of formula; yet freedom of discretion may result in inequities in administration.

"The problem of formulating recommendations for making salary advancements, therefore, calls for a compromise between complete freedom of administrative action and the automatic operation of a rigid formula.

"In addition to uniformity, we have had in mind the following specific purposes and objectives in developing and recommending our salary advancement plan.

"1. To promote economy and efficiency in the Government service.

"2. To recognize superior work, to provide incentives for better performance, to improve employee morale, and to aid in attracting and keeping competent persons in the service.

"3. To remove present inequalities in the administration of salary advancement.

"4. With due regard to efficiency, length of service, and a reasonable period of time required for advancement from the minimum to the maximum salary level of each grade, to afford equal opportunity for all employees in positions subject to the compensation schedules of the Classification Act to attain the salary levels included in those schedules.

"5. To keep the average annual cost of the plan, after the initial period of adjustment,

approximately within the lapses and savings resulting from turn-over of personnel, filling of vacancies at lower salary rates, reduction of personnel through redistribution of work and improved efficiency.

"In order that this question might be approached from a personnel as well as from a fiscal and general management standpoint, we requested the cooperation of the Civil Service Commission and the Council of Personnel Administration. While these agencies and individuals were most helpful to the staff of the Bureau of the Budget in the development of the proposals contained in our report, the Bureau of the Budget assumes full responsibility for the findings and recommendations.

"In brief, the plan which we have recommended and which is now before this committee in H. R. 1073 provides that a salary advancement of one step within the grade shall be given each 18 months to employees in grades where the salary increments are \$60 or \$100, and in each 30 months to employees in grades where salary increments are \$200 or \$500 (proposed in the plan to be changed to \$250) provided (1) that no other equivalent increase in compensation has been received from any cause during the time specified, (2) that an employee's efficiency, service, and conduct shall have been satisfactory. In order to receive any advancement, an employee must have an efficiency rating of "Good" or better than "Good," and in order to receive advancement above the midpoint of the grade, his efficiency rating must be "Very good" or "Excellent."

"In addition, the plan provides in section 2 (f) for administrative discretion to grant additional salary advancements in unusually meritorious cases. This provision makes it theoretically possible for an employee to be advanced twice as rapidly as under the framework of the general salary advancement plan. We regard such authority as indispensable to effective operation of a promotion plan. Salary advancement, if it is to serve its purpose as an incentive to better work and as a reward for past effectiveness, should not become an automatic right. Any system that does not provide a reasonable amount of administrative discretion in the granting of increases fails to achieve this purpose and becomes entirely automatic in operation.

"Under the proposal for regular periodic increases, it will be noted that employees in grades with minimum salaries less than \$3,800 are eligible for advancement to the top of their grades during a period of 9 years. Eligible employees in the higher-salaried groups wait a period of 10 years before attaining the maximum salary for their grades.

"The spread from minimum to maximum salary level and the size of the salary increment steps bears a relatively constant ratio to the base salary for each grade. That is to say, a \$60 increment with a maximum spread of \$361 bears approximately the same relationship to a base salary of \$1,440 as does a \$200 increment with a spread of \$800 to a base salary of \$3,800. It seems entirely consistent with the objectives of the Classification Act that approximately the same period of time should be required for advancement from the minimum to the maximum salary rates in all grades. The proposed plan, requiring 9 and 10 years, respectively, for the full amount of salary advancement, approximates this objective. Since the number of steps in the higher salary grades is smaller than in the lower, it obviously becomes necessary to require a somewhat longer waiting period between increases in the higher brackets if we are to provide for advancement to the top of the grade in about the same period of time regardless of the salary level.

"Particular attention was given to the situation for the classification grades with base salaries of \$6,500 and \$8,000. At the present time these grades provide for only two salary

advancement steps of \$500. If the maximum salary for these grades were to be attained in a period of 10 years, it would call for a waiting period of 5 years between increases. This seems to be an unreasonably long period of time; it also results in a minimum of incentive value being attached to the salary advancement plan for these grades. In view of these facts, and in order that employees in these grades may be treated on a basis comparable to employees in grades with a \$200 salary increment, section 4 of the bill provides for amending the Classification Act so that these grades will have four steps of \$250 each.

"We have considered other possible requirements for the waiting period and have concluded that the arrangement for 18 and 30 months, respectively, is a satisfactory means of spreading salary advancements to the maximum of the grade over approximately the same time period in both low- and high-salaried groups. Also, the length of these waiting periods is such that the cost of the plan is not unreasonable.

"The cost of a salary-advancement plan is a matter of first importance in determining its feasibility. A salary-advancement plan should promote economy. It should in the long run pay for itself. Its operation should not represent an ever-increasing cost of Government services.

"In our report we made a detailed estimate of the cost of our recommended plan. This estimate was necessarily based upon the factual situation existing on June 30, 1939, the date to which our survey data related, and involved certain important assumptions. We assumed that the plan went into operation on July 1, 1939; that the number of employees covered by the plan remained unchanged at approximately 304,000; that the rate of turn-over and line promotions existing at the start of the plan continued constantly throughout its operation; that the distribution of efficiency ratings among the adjective categories remained unchanged. All of these assumptions had the purpose of isolating the effect of the salary-advancement plan itself. It was fully realized that any material change in any one or more of these factors would have its corresponding bearing upon the operation and cost of the salary-advancement plan. Nevertheless, the cost figures in our report can be considered as a bench mark. Any increase in coverage would entail a proportionate increase in cost.

"Based upon these assumptions, our estimates indicated that in the first year of operation of the salary-advancement plan approximately 159,000 employees would become eligible for advancement. This number of advancements would represent a net increase of approximately seven and one-half million dollars in the annual pay roll. However, savings resulting from the staggered dates upon which increases are granted would reduce the cash requirement during the first year to five and one-third million dollars.

"The salary-advancement plan with a coverage of 304,000 employees would, after 10 years of operation, result in an increase in the annual pay roll of \$29,000,000 above the amount of the pay roll at the beginning of the operation of the plan.

"It is highly significant that the increase in pay roll for each year, if averaged over a period of 10 years, represents less than \$3,000,000 per year, or less than one-half of 1 percent of the annual pay roll of approximately \$600,000,000 paid to the 304,000 employees covered by the plan.

"After the plan has been in operation for as many as 10 years, the lapses resulting from turn-over and line promotions will almost equal the annual cost of granting the increases to the eligible employees, and there will be little or no further additional cost. The plan will become self-supporting.

"Since the preparation of our report there has been an obvious increase in the number

of Government employees, and hence in the coverage and cost of the plan.

"Data submitted in connection with the Budget estimates for 1942 indicate that on June 30, 1940, the number of employees which would have been covered by the plan would have been approximately 346,000, instead of 304,000 reported on the pay rolls in positions subject to the provision of the plan on June 30, 1939. Further increase in coverage is, of course, occurring during the present fiscal year and will continue into next year.

"The increase in coverage of the plan is due not alone to the increasing size of the Government but also to the transfer of positions to the compensation schedules of the Classification Act, as a result of reorganization plans and by anticipated extension of the Classification Act pursuant to the provisions of the Ramspeck Act.

"Expansion in the size of the Government structure creates an increased opportunity for promotion from grade to grade and improved general business conditions have tended to raise the rate of turn-over in Government positions. This increased rate of turn-over and promotion raises the proportion of the total cost of salary-advancement plan which can be borne from lapses and without the necessity for new money.

"However, in contrast to this factor, the restrictions on promotions which are in existence during the current fiscal year and which resulted from certain reorganization changes during the last fiscal year tend to accumulate a backlog of eligibility for salary advancement under the promotion plan. This factor would mean an increase in the cost during the first year of operation.

"It is obvious that these cost factors are complex and interrelated. An accurate estimate of the appropriation needs during the first several years of the operation of the plan would have to be made, as indicated in our report, upon a supplemental or deficiency appropriation basis.

"The present consideration of this problem by your committee is exceedingly timely. The emergency situation calls for the highest degree of employee morale in the Government services. Undoubtedly, the Government is currently losing a number of highly competent persons because of the absence of any salary advancement plan.

"During the current fiscal year, salary advancements are restricted by legislation and by a formula recommended last year by the Appropriations Committee. These restrictions and the formula were frankly recognized by the committee to be a temporary stop-gap until such time as a more adequate long-range plan could be adopted.

"Up to the present time, neither the Budget for the fiscal year 1942 nor the appropriation bills, which have passed the House of Representatives, carry any restrictions upon or any provisions for salary advancement in the next fiscal year. It is obviously of very great importance that a uniform approach to this problem in the next fiscal year be adopted by the Congress. The Bureau of the Budget has refrained from making any temporary recommendations on this subject for the next fiscal year in the hope that it would be possible for the Congress to adopt a long-range plan."

The committee amendment, putting in a new section 5 in the bill, deals with part of the employees of the United States Customs Service, whose rates of pay are fixed by a special act of Congress (Bacharach Act, 45 Stat. 955) and are not within the terms of the Classification Act. The effect of this amendment will be to put verifiers, openers, packers, guards, inspectors, and station inspectors of the Customs Service under the Classification Act, and thus extend the provisions of this bill to them if it should be enacted. This amendment has the approval

of the Bureau of the Budget and the Civil Service Commission.

The other committee amendments are merely for clarification of the text and fix an effective date.

This bill does not apply to groups whose rates of pay are fixed by special enactments of Congress, such as post-office employees and others, except the group of customs employees above-mentioned.

For the information of the House, the report from the Civil Service Commission is printed below:

UNITED STATES CIVIL
SERVICE COMMISSION,
Washington, D. C., March 7, 1941.

HON. ROBERT RAMISPECK,
Chairman, Committee on the Civil
Service, House of Representatives.

MY DEAR MR. CHAIRMAN: Referring to your letter of January 14, 1941, receipt of which was acknowledged on January 16, 1941, we desire to offer the following report on H. R. 1073, a bill to amend the Classification Act of 1923, as amended.

H. R. 1073 is a bill recommended to the House Appropriations Committee in a report made by the Bureau of the Budget as a result of a request for a study of the salary-advancement problem contained in the report on the Treasury-Post Office appropriation bill for the fiscal year 1940. A complete discussion of the problem and of the provisions of the bill is contained in the House committee print of the Bureau of the Budget's report. Consequently it is not necessary for the Commission to comment upon these provisions in detail.

A salary-advancement plan from an administrative standpoint is a necessary complement to the existing provisions of the Classification Act. Good salary administration requires the establishment and maintenance of two procedures: (1) The position-classification process results in the analysis and evaluation of individual positions and their classification in such a way that there shall be equal pay scales for equal work. This process is covered by the provisions and the current administrative practice under the Classification Act of 1923, as amended. (2) The second process essential to good salary administration involves the determination for each employee of the particular rate of pay within the pay scale for his classification that he is entitled to from time to time. It is this second process with which H. R. 1073 deals. Present conditions, with respect to salary advancements within the grade, are notoriously unsatisfactory. The problem of improving the situation is complicated by the fact that various agencies, administrative officials, and employees have different interests and desires.

The bill prepared by the Bureau of the Budget is, in the opinion of the Commission, a good product which meets well the conflicting interests and desires which are always involved in a problem of this kind. It will certainly tend toward uniformity and consistency in salary administration. We recommend, accordingly, that it receive the favorable consideration of the committee.

Sincerely yours,

HARRY B. MITCHELL,
President.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law are shown as follows (present law is printed in roman, matter to be omitted in brackets, and new matter in italics):

(Act of March 4, 1923)

"SEC. 7. (a) Increases in compensation shall be allowed upon the attainment and maintenance of the appropriate efficiency ratings, to the next higher rate within the salary range of the grade: *Provided, however, That in no case shall the compensation of any employee be increased unless Congress has appropriated*

money from which the increase may lawfully be paid, nor shall the rate for any employee be increased beyond the maximum rate for the grade to which his position is allocated. Nothing herein contained shall be construed to prevent the promotion of an employee from one class to a vacant position in a higher class at any time in accordance with civil-service rules, and when so promoted the employee shall receive compensation according to the schedule established for the class to which he is promoted.

"(b) All employees compensated on a per annum basis, and occupying permanent positions within the scope of the compensation schedules fixed by this act, who have not attained the maximum rate of compensation for the grade in which their positions are respectively allocated, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next quarter, following the completion of:

(1) Each 18 months of service if such employees are in grades in which the compensation increments are \$60 or \$100, or (2) each 30 months of service if such employees are in grades in which the compensation increments are \$200 or \$250, subject to the following conditions:

"(1) That no equivalent increase in compensation from any cause was received during such period, except increase made pursuant to subsection (f) of this section;

"(2) That an employee whose rate of compensation is below the middle rate of the grade shall not be advanced unless his current efficiency is good or better than good;

"(3) That an employee whose rate of compensation is at or above the middle rate of the grade shall not be advanced unless his current efficiency is better than good;

"(4) That the service and conduct of such employee are certified by the head of the department or agency or such official as he may designate as being otherwise satisfactory.

"(c) The term 'good' as used herein shall be defined in accordance with the systems of efficiency rating established pursuant to section 9 of this act.

"(d) For the purposes of this section, the fourth salary rate in grades 2 and 3 of the custodial service shall be considered the middle rate.

"(e) Employees eligible under subsection (b) for compensation advancement by reason of service immediately preceding the effective date of this amendment shall be advanced to the next higher rate of compensation within the grade to which their positions are respectively allocated at the beginning of the next quarter immediately following the effective date of this amendment.

"(f) Within the limit of available appropriations, and in recognition of especially meritorious services, the head of any department or agency is authorized to make additional within-grade compensation advancements, but any such additional advancements shall not exceed one step and no employee shall be eligible for more than one additional advancement hereunder within each of the time periods specified in subsection (b). All actions under this subsection and the reasons therefor shall be reported to the Civil Service Commission. The Commission shall present an annual consolidated report to the Congress covering the numbers and types of actions taken under this subsection.

"(g) The President is hereby authorized to issue such regulations as may be necessary for the administration of this section."

(ACT OF MAY 28, 1928)

"SEC. 13. That the compensation schedules be as follows:

"PROFESSIONAL AND SCIENTIFIC SERVICE

"Grade 7 * * *

"The annual rates of compensation for positions in this grade shall be [\$6,500, \$7,000, and \$7,500,] \$6,500 \$6,750, \$7,000, \$7,250,

and \$7,500, unless a higher rate is specifically authorized by law.

"Grade 8 * * *

"The annual rates of compensation for positions in this grade shall be [\$8,000, \$8,500 and \$9,000,] \$8,000, \$8,250, \$8,500, \$8,750, and \$9,000, unless a higher rate is specifically authorized by law.

"CLERICAL, ADMINISTRATIVE, AND FISCAL SERVICE

"Grade 14 * * *

"The annual rates of compensation for positions in this grade shall be [\$6,500, \$7,000, and \$7,500,] \$6,500, \$6,750, \$7,000, \$7,250, and \$7,500, unless a higher rate is specifically authorized by law.

"Grade 15 * * *

"The annual rates of compensation for positions in this grade shall be [\$8,000, \$8,500 and \$9,000,] \$8,000, \$8,250, \$8,500, \$8,750, and \$9,000, unless a higher rate is specifically authorized by law."

(Committee proposes to omit words enclosed in brackets.)

(ACT OF NOVEMBER 26, 1940)

"SEC. 3. * * *

"(d) Except as this Congress may otherwise provide by law, the power granted to the President by this section shall not apply to the following:

"(viii) Offices, or positions of [verifiers, openers, packers,] clerks [guards, inspectors, station inspectors,] and laborers in the Customs Service of the Treasury Department the compensation of which is fixed under an act of Congress approved May 29, 1928 (45 Stat. 955), as amended;

"(b) Upon the passage of this act, the Secretary of the Treasury shall allocate to the services and grades of the compensation schedules of the Classification Act of 1923, as amended, the other positions heretofore covered by said act of May 29, 1928, in the same manner as other positions in the field service of the Treasury Department are allocated under section 2 of the act of July 3, 1930 (46 Stat. 1003).

"(c) Nothing contained in this section shall be construed to decrease the existing compensation of any employee, but when his position shall become vacant it shall be filled in accordance with the regular compensation schedule applicable to such position."

Mrs. ROGERS of Massachusetts. Mr. Chairman, it has been very distressing to the members of the committee, and many of us have followed very closely the working of the civil service; that certain personnel who have done excellent work during the years of their incumbency in office have not been allowed any promotion nor any increase in pay for a period of 3 years, and even longer. Such a situation is heartbreaking to the employees, to say the least, and certainly a mockery of the merit system in civil service.

I trust that under this bill, Mr. Chairman, an employee will receive his promotion, even if there is no pay for it. This will be helpful to him if he seeks a position on the outside or if he seeks a position in another grade. Even if the Appropriations Committee appropriates no money, the employee will receive certain advantages.

Mr. WHITE. Will the gentleman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Idaho.

Mr. WHITE. The gentleman speaks of promotions. Now, promotion in private business generally goes with added

responsibility. This promotion the gentleman is talking about amounts to only an increased rate of pay.

Mrs. ROGERS of Massachusetts. Yes.

Mr. WHITE. It does not involve any increase in responsibility; it just adds more pay?

Mrs. ROGERS of Massachusetts. Sometimes it will be an increase in the same grade with added responsibility. As the gentleman knows, there are different promotions in the grade. It will help in a specified grade also. There is the lowest in the grade, and it goes on up to the top.

Mr. WHITE. Does not the gentleman think that if there is an increase in rate of pay there should be an increase in responsibility and the amount of work done?

Mrs. ROGERS of Massachusetts. I think the gentleman will find that will go with it also, although not in all instances.

Mr. WHITE. That is not apparent in this bill at any place.

Mrs. ROGERS of Massachusetts. We all know there are differences within the grade.

Mr. Chairman, I would also like to point out that an employee must work 30 months, or have 30 months of service in the grades where the compensation increments are \$200 or \$250. In the professional, administrative, and scientific services there have been increases in pay of as high as \$1,000 to an employee appointed under Executive order who had been in the Government employ only a short time—a manifest injustice to other people within that same grade. Under this bill the increases will be effective only after 30 months of service, and the increase will be \$250 and so on up. In this bill the Congress takes back unto itself some of its powers to legislate and direct the departments rather than to pass a blanket authority for the President of the United States to act. In itself that is a healthy thing.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Chairman, this is a subject to which I have been giving very serious thought for some time. I came down here 8 years ago, in the month of March. It was recognized at that time that the personnel and the pay of our Government should be more or less reorganized. The Government was in debt. One of the first things Congress did was to pass the Economy bill. They made a horizontal cut as a matter of economy of 15 percent of the Government salaries. They reduced the sick leave and the vacation-with-pay time. Of course, there was a great deal of talk about it.

I voted against the Economy bill for a very definite reason. I was perfectly willing to take a cut in my own salary, and I thought that these well-paid Government employees could easily stand a cut in view of the conditions that I knew to obtain in the farm and industrial sections of this country. But when they tied in the veterans' compensation, the compensation for the men who faced the

bullets and made America safe in the World War, I did not go along, and I voted against the Economy bill at that time.

From my experience in agriculture, and in working for a living, and knowing something of the compensation received by the rank and file of the people of this country who furnish the food we eat, our shelter, and the clothes we wear, I feel that our Government employees are pretty well taken care of. Of course, the newspapers in this town, which cater to subscribers who are chiefly Government employees, championed the Government employees and talked about restoring sick leave and vacations with pay, and harped on increased pay.

You would have thought from the position taken by the papers and what went through the columns of the newspapers that we were dealing with a very inferior class of people here and that the civil service had failed to obtain the cream of the crop of people seeking Government employment through civil-service examinations, because they made it appear that if these people lost out on the Government pay roll they were helpless and would starve. That appeal was lost on me, because I knew something of the hardships of the people on farms and employed in industry.

When I see the conditions under which we live in Washington, this being a boom town, and realize the situation here, with the immense amount of people on the Government pay roll, and realize their influence, for they are well organized and their influence is brought to bear on the Members of Congress from all over the country, I wonder if some champion will not get up at some time and talk a little bit on the side of the people who are payin' for all this, the taxpayers of the country. Here we have a bill that does not say anything about increasing the responsibility of the people who are going to get these benefits and increases in pay; it simply increases the pay.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield for a question, but my time is limited and I probably shall ask for more time.

Mr. REES of Kansas. I shall be glad to yield a minute or two additional to the gentleman, if necessary.

The gentleman has just suggested that somebody ought to speak on behalf of the taxpayers with reference to the question of the payment of this money to the Government employees. I should be glad if the gentleman would now say a few words on behalf of the taxpayers. I should like to know what he has to say about them.

Mr. WHITE. I may say to the gentleman from Kansas, who probably has a big clientele of Federal employees that he has to cater to down in his district, that I am thinking about this \$50,000,000,000 debt, and I am thinking about the \$1,000,000,000 we have to raise to pay what the bankers glibly call a service charge on the national debt in the form of interest. I am thinking about another hidden charge we are paying in the form of interest on all the \$17,000,000,000 of

Federal Reserve notes that circulate under this banking system we have. I am thinking about that.

Mr. REES of Kansas. I thought perhaps the gentleman had something in mind with reference to the bill we have before us when he spoke of the question of the taxpayer. That is what I had in mind.

Mr. WHITE. If this bill does not provide for increasing the load on the taxpayers, I should like to know what it does.

Mr. REES of Kansas. I believe it does do that. What does the gentleman say about that?

Mr. WHITE. I say that these people who take their coats and hats at 4 o'clock every afternoon, and when a Congressman gets off to go down to transact a little business he finds the Department closed tight. These people take every holiday, and I never knew there were so many holidays on the calendar until I came here to Washington to try to transact a little Government business. They take every Saturday off, every week end. Sometimes when it is a little hot the Departments close up and send them all home, and when it is too cold, they cannot get out.

[Here the gavel fell.]

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho.

Mr. WHITE. When I go down to work in the morning I know they are supposed to be at work at 9 o'clock, but I find the streets congested until about 9:30. We are told that if they do not get to work on time they will be penalized. I wonder what happens to that gang that is on the streets between 9 and 9:30 in the morning. How do they manage to get by the regulations?

What I am saying in all seriousness to the civil-service workers and their champion over here is that if they carry this thing too far and get too much and get too far out of balance with the income and conditions of the people that work on the farms and in the factories of this country they are going to find that a sentiment will sweep over this country that will undo all these fine advantages they have. When we have an occasion to take a visitor to the fancy restaurants about Washington, the so-called hot spots, and see a bunch of these people from the civil service that spend so lavishly come in, take a cocktail that costs 65 cents each and meals that cost \$2, and then you realize how soft some of these civil-service jobs are.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. I will yield the gentleman 2 additional minutes.

The gentleman, I know, agrees that this bill improves the situation a good deal because it will prevent, as I said before, any department giving a \$1,000 increase to a favored employee who only has worked for the Government a short time and who was appointed under Executive order. It gives the increases to those persons who have worked terribly hard

and have never had the opportunity to have an increase.

Mr. WHITE. Terribly hard? They all have a month's vacation with pay every year. I should like to see the farmer's wife that has that.

Mrs. ROGERS of Massachusetts. They do not get too much, I will say to the gentleman. I wish the farmer's wife better conditions also.

Mr. WHITE. Let me say to the gentleman that on Saturdays many of the civil-service workers are not there at all, any of the persons in responsible positions, because if you try to transact any business the secretary glibly tells you that Mr. Jones is not in today.

I may also say to the lady from Massachusetts that there are plenty of people working around here who are man and wife and the man is getting about \$7,500 a year and his wife is getting \$3,000 a year, retirement pay, and all that. They are getting more than a Congressman and they do not have all the expenses that a Congressman has.

Mr. COFFEE of Washington. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Washington.

Mr. COFFEE of Washington. What does the gentleman think about the 4 months' vacation that the members of the Supreme Court take and they get \$20,000 a year?

Mr. WHITE. I think the members of the Supreme Court may do a lot of work during their vacation. They have to do a lot of research work and they are doing a splendid job. But I do not think many of these people down here in these departments are doing much of a job.

Let me tell you another thing, and that is that \$1,440 a year is low in Washington for a stenographer, while \$60 a month is mighty good pay for a stenographer in many of our Western States.

I want also to say to the people who are the beneficiaries of this policy that they had better go easy, because with the debt piling up and conditions becoming as critical as they are, they may find the whole apple cart upset.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Texas.

Mr. BECKWORTH. I want to commend the gentleman for what he has said about the wives of farmers and the farmers themselves. It is a known fact that many of them certainly are living under circumstances and conditions far less advantageous than those who work for the Federal Government, and there are lots of farmers and lots of farmers' wives.

Mr. WHITE. When I am passing on this bill I think of the work piled up on the farmers' wives and on the farmers themselves in the State of Idaho and Montana and all the Western States that I am familiar with, and that is also true of the Eastern States, if you please, where they are working all hours and having great responsibilities, including the care of their children, and then I think of the meager compensation they get, which shows that Government pay in the Government departments is so far out of line with the income of the people on the

farm for the services performed that I think it is about time to call a halt, and we had better go easy on this matter.

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I would like to say to the gentleman from Idaho, [Mr. WHITE], that the Budget reports that after 10 years this will be self-supporting and may cost, as a matter of fact, the taxpayers less than the present system.

Mr. Chairman, I now yield 10 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. I regret that so few Members of the House are on the floor this afternoon, and that only a small number appear to be interested in what I consider an important item of legislation. It is quite important to the people of the country, and still more so to those who will be affected by its terms.

Do you know we now have 1,260,000 employees in the executive department of our Government—the largest number ever employed by our Government? The number increased by reason of defense activities, but it was on the increase even before the present emergency. I think it is likely that 75 percent of this million will in all likelihood be affected by the terms of this bill. I realize that there are some that do not come under its terms. I do not know what amount it is going to add to the cost. Based on a figure of a little more than 300,000 employees, the added cost was estimated at \$29,000,000 over a period of 10 years. If the number of employees is increased to, say, 600,000, then the added cost would be approximately \$60,000,000.

Mr. Chairman, what I want to direct your attention to this afternoon is that we are dealing with a good-sized problem. The pay roll for these million and a quarter employees runs now at the rate of a little over \$2,000,000,000 a year.

I have no objection to increases in pay to those who deserve it because of faithful and satisfactory service. As a matter of fact, I think any employee should be rewarded for faithful and efficient service. I do think, however, that the entire problem should be studied with a view of determining as near as possible the amount of salaries that should be paid to those who are rendering service in the various departments of our Government.

Mr. Chairman, the particular reason given by the sponsors of this legislation is that persons employed by your Government and mine, and who now have charge of distributing extra pay to those who should be entitled to it, are abusing that authority. It seems to me that such a thing is an extremely unfortunate situation. It is charged that in many instances, certain heads of departments or divisions, adjust the extra payments because of their likes or dislikes for certain employees. Let me say again, Mr. Chairman, that while we are giving attention to the matter of salaries, this committee, or some committee should examine the problem of salaries to Government workers. We have had, rather recently, witnesses appear before our committee who feel that the lower-salaried employees are very much under-

paid for the services they render, and who feel they are not getting a fair deal. If that is correct, we ought to know it and make adjustments accordingly. Likewise, if there are those who are over-compensated, their wages should also be adjusted. Mr. Chairman, our distinguished chairman of the committee is entitled to a great deal of credit for the manner in which he has handled this legislation. He tells you very frankly, however, that this legislation was prepared by the Bureau of the Budget.

While we are on that question, I believe it is fair that I call your attention to a statement made by Mr. Stengle, a former distinguished Member of this House, and now representing, I believe, the American Federation of Government Employees. Here is what he said in part, when he testified before our committee:

Those of us who have been here and trying to improve this condition recognize that the report of the Bureau of the Budget as a veritable Magna Carta that will bring new life into the Government service and properly inspire those who are very much discouraged. From the standpoint of the Government this H. R. 1073 will mean a great improvement; from the standpoint of the employees it will mean a very great improvement; from the standpoint of the taxpayers it will mean a very great improvement, because the taxpayers will get more service for their dollars than they can possibly get under conditions through which we have passed.

Mr. Chairman, I want to refer briefly to a statement made by the distinguished chairman of our committee, when he suggested that if the Congress does not want to allow the increases provided by this bill, it may refuse to do so. I just don't think too much of that suggestion. I think if we promise these increases in salaries, we ought to go ahead and carry out that promise, which after all, becomes more or less of an obligation. Of course, we are all in favor of stimulating loyalty and aggressiveness among our employees.

Mr. Chairman, I am not going to oppose this legislation. It provides a number of important and valuable features. It seeks to, partially at least, cure an abuse of discretion. It attempts, to some extent, to give a little more credit for efficiency and faithful service. But it involves a situation that, in my judgment, could be improved if we would do it.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. Yes.

Mr. WHITE. Does the gentleman think it is humanly possible for the members of the Committee on Appropriations to go in and check on all of these departments and have the knowledge of the expenditures of the department and the salaries and all the things that they should know in passing on an appropriation?

Mr. REES of Kansas. No; I believe, in view of the volume of legislation that comes before that committee, they do a reasonably good job.

Mr. WHITE. And do we not have to rely almost entirely on the recommendations of these several department heads and the information they bring in from the executive branch?

Mr. REES of Kansas. Yes; it seems the heads of these departments are the

only source of information, except such investigation as may be made by the members themselves.

Mr. WHITE. Is it not a fact that these bills come in with 100 to 150 pages from one department to another and that the Members of Congress in the course of a session have to handle at least seven or eight of these bills, and can the gentleman himself know very much about what is in most of those bills?

Mr. REES of Kansas. We are probably talking about a different problem, but I realize that we have to depend upon the heads of departments to give the information provided in these bills, and, of course, it is rarely that anybody else testifies on behalf of the bills except those who are most interested in the appropriations. It is up to the members of the committee to determine as best they can whether such authorizations and appropriations should be permitted.

Mr. WHITE. Is it not a fact that some of the departments are neglected and are working short-handed, and in an inefficient way, due to the fact that others are receiving lavish appropriations and that the whole thing is not properly adjusted?

Mr. REES of Kansas. I am not on the Appropriations Committee, but I am sure there is a great deal to be said in favor of the gentleman's contention.

Mr. WHITE. But the gentleman has been in the departments, and he has seen some of them working with obsolete, inefficient material, short of things that money would buy and others are working with more than they need or know what to do with.

Mr. REES of Kansas. I believe the gentleman is more familiar with that situation than I.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. Yes; I shall be glad to yield to the gentleman, a valuable member of the committee.

Mr. BECKWORTH. And has not the gentleman furthermore heard much about a reduction of nondefense expenditures? Does the gentleman think that this bill is a step in that direction or in the other direction?

Mr. REES of Kansas. It is not a step in the direction of cutting down nondefense expenditures. It may be unrelated, but this Congress has done very little so far in the direction of cutting nondefense expenditures, although a lot has been said about it. I appreciate the gentleman's position. I want to make this observation, that as a member of the committee I appreciate the assistance of the gentleman on the committee. He has taken quite an active part in the consideration of this measure. I regard him as one of the most careful and painstaking members of that committee.

Mr. WICKERSHAM. Will the gentleman yield?

Mr. REES of Kansas. I shall be very glad to yield to my good friend, the distinguished Member from Oklahoma.

Mr. WICKERSHAM. Does the gentleman consider this comparable to the cut in the W. P. A. appropriation bill the other day and somewhat comparable to the \$21 a month that the boys are now getting in the Army?

Mr. REES of Kansas. Of course, I would not want to enter into that comparison at all. I assume that we would have to look at those questions on a little different basis. I do, however, appreciate the gentleman's observation.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. REES of Kansas. Mr. Chairman, I yield back the balance of my time.

Mr. RAMSPECK. Mr. Chairman, I wish to refer to one or two things mentioned by my distinguished friend from Kansas, whose service on the committee I greatly appreciate. He has referred to the number of employees covered by this bill as being more than a million. I wish to point out that, except for those in the departmental service here, the largest group in the Government service—the postal employees—are covered by a different pay schedule and will not be covered by this bill at all. That takes out over 300,000. Then the navy-yard workers have a pay system which is different from the Classification Act, and they go out. There are various other groups. So that I think the gentleman was proceeding on a mistaken assumption when he said it would eventually cover a million and a quarter employees. I do not think it would cover half that amount.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. REES of Kansas. The gentleman will admit, though, that at the rate we are going, it will cover a great many more than the number given by the distinguished chairman of the Civil Service Commission. Will it not?

Mr. RAMSPECK. I agree with the gentleman. Of course, the Director of the Budget, Mr. Smith, pointed out that since this study there have been some additions to the force, and therefore the figures would have to be increased by whatever percentage of those employees came under the Classification Act. But those who have been added to the navy yards and to the Post Office Department and places like that do not affect this situation. I wanted to point that out because I know the gentleman from Kansas would want the record to be clear on that.

As to the question of the cost of the bill, I have given the House all the information I have on the subject. I have quoted the figures from the Director of the Budget. Certainly I cannot think of any higher authority in the Government than the Director of the Budget as to what it would cost. Of course, that is the maximum that it could be—\$29,000,000 for 304,000 employees. What that will actually mean in dollars and cents will depend upon the Appropriations Committee and what action they take under it. We are not removing; we are

not in any way affecting the section of the Classification Act which provides that no person shall receive any increased pay until Congress has appropriated the money for it. That is still in the law, and will be after this bill is passed.

Mr. REES of Kansas. Will the gentleman yield further?

Mr. RAMSPECK. I yield.

Mr. REES of Kansas. Of course, if they do not appropriate the money, this measure will not be effective.

Mr. RAMSPECK. Exactly. The gentleman will remember I stated that to our committee when we opened the hearings—that if we did not pass a bill that the Appropriations Committee approved of and would operate under, it would not amount to a thing in the world.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. WHITE. Does the gentleman know of any case where the Appropriations Committee ever failed to appropriate money for salaries in the different departments?

Mr. RAMSPECK. Yes; I have heard of them doing that.

Mr. WHITE. As a general proposition?

Mr. RAMSPECK. They knocked out the appropriation for one whole agency. Of course, it was restored in the Senate, but they often cut them down or raise them. I am not trying to be facetious with the gentleman from Idaho, but the point I make is that this does not involve general salary increases. In 1939 we appropriated \$7,000,000 for this purpose and it was not distributed according to any regular plan.

The Appropriations Subcommittee think we need a regular plant to control it so that all the discretion will not be vested in the heads of the executive departments of the Government.

Mr. WHITE. The pay item of these different departments and bureaus is just a lump sum.

Mr. RAMSPECK. That is right.

Mr. WHITE. And is allocated around by the department itself, is it not?

Mr. RAMSPECK. That has been true previously and is the reason the Appropriations Committee initiated this step.

Mr. WHITE. It is certainly not the gentleman's contention that the various provisions of the bill will not effectuate a raise in salary. The gentleman does not contend that, does he?

Mr. RAMSPECK. It will effect an increase in the total pay roll; yes.

Mr. WHITE. The bill will increase annual salaries, will it not?

Mr. RAMSPECK. Yes; but they would be increased without this bill. That is the point I am trying to make.

Mr. WHITE. And these payments will go to increase salaries without any increase in responsibility.

Mr. RAMSPECK. That is not exactly correct.

Mr. WHITE. It may not be exactly true, but it can be worked out that way.

Mr. RAMSPECK. In some cases it is true. I just pointed out to the gentleman that last year, 1939, we appropriated and

spent \$7,000,000 for this same purpose but we did not regulate the way it was distributed, that was regulated by the executive branch of the Government.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mrs. ROGERS of Massachusetts. This bill takes back some of our own powers which we have given away.

Mr. RAMSPECK. That is right.

Mrs. ROGERS of Massachusetts. May I make another point?

Mr. RAMSPECK. Yes.

Mrs. ROGERS of Massachusetts. This in a measure does justice to the older civil-service employees. For the last few years I have felt that the merit system was taking a vacation. Those on the regular civil-service list who have worked for years have had no real opportunity for a raise in pay. Certainly with this 18 months' provision in the lower brackets and 30 months in the higher brackets this bill gives an advantage to the regular long-time civil-service employee, many of whom who have not had a promotion or raise in pay for 8 years or more. It is a step in the right direction in my opinion.

Mr. RAMSPECK. It will benefit the lower paid employee. It is a matter initiated by the Appropriations Committee so the Congress may have a say in how the increases are distributed.

Mrs. ROGERS of Massachusetts. Those appointed by statutory measure have gone ahead of the regular civil-service employees.

Mr. RAMSPECK. Yes.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from New York.

Mr. FITZPATRICK. Last year, as I recall, the Budget recommended over \$3,000,000 for administrative promotions.

Mr. RAMSPECK. That is correct.

Mr. FITZPATRICK. The Appropriations Committee cut it out. I voted against cutting it out, as I thought it should have been left in. An investigation was requested so we could get general legislation, a bill such as we have here today to do justice to the civil-service employees.

Mr. RAMSPECK. That is correct, and that is the reason this bill is here.

Mr. Chairman, the gentleman from Kansas referred to a statement made before the committee by a number of witnesses including a former Member of Congress. Let me point out that the reason for that statement, as I remember quite well, was that another representative, a representative of a union of employees, was advocating mandatory automatic annual salary increases, which would have cost an immense sum of money; and he was making the point, as I recall it, that he preferred to take this bill, which was an intelligent effort on the part of the Budget Bureau to meet a practical situation rather than to be grasping at a straw in the form of mandatory automatic salary increases on an annual basis which he knew Congress would not pass.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. REES of Kansas. I was complimenting the gentleman for his views on this particular measure.

Mr. RAMSPECK. I am glad to hear the gentleman say that, because I think he was taking the right position.

Mr. REES of Kansas. One further observation, if the gentleman will permit. We have before us a bill to increase the salaries of individuals. It is generally understood there are no decreases in the bill, is it not?

Mr. RAMSPECK. I believe that is absolutely true. There are no decreases in the bill. I want to make just one further observation on that, Mr. Chairman, and that is the gentleman from Kansas said something about desiring further study of this bill. We can study it until the cows come home and yet not know any more than is known by the Bureau of the Budget after their study of 2 years, the results of which are contained in the report of the committee. It is a very interesting study. I wish the membership of the House had time to read it. It has some very interesting things in it. For instance it shows that in some instances during the fiscal year 1939, 5 or 6 percent of the employees in certain establishments got increases of salary whereas in other agencies as high as 75 percent of the employees got salary increases. It shows a discrimination in favor of employees here in Washington against employees back in our home districts in most cases.

Mr. REES of Kansas. I would be very glad if the gentleman would take the time to extend his remarks and set out a number of the facts contained in the report. The Members might read the RECORD whereas they will not read the report.

Mr. RAMSPECK. The gentlewoman from Massachusetts has asked permission, I understand, to have the report printed in the RECORD and also the statement of the Director of the Budget.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. THOMAS F. FORD. Is it not fair to say that this bill is designed to do substantial justice to the medium-salaried employees as against the higher-salaried ones?

Mr. RAMSPECK. I think that construction might be put on it. I think it will be just to all of them because when higher-paid employees get a step-up they get a larger amount. Under this bill they get it less frequently. I think, therefore, the bill does justice to all. It certainly will insure that the low-paid employees will get a fair break and I think on the whole fairer treatment.

Mr. THOMAS F. FORD. It is a leveling-out process.

Mr. WHITE. On page 4, line 21, there is "Grade 15: \$8,000, \$8,250, \$8,500, \$8,750, \$9,000. Professional and scientific service: Grade 7: \$6,500, \$6,750, \$7,000, \$7,250, \$7,500," and so forth.

Mr. RAMSPECK. I am familiar with that. What does the gentleman want to know?

Mr. WHITE. Does the gentleman call those lower-class salaries?

Mr. RAMSPECK. No. I call those all higher class. That is the present law. The only purpose in having that in there is that formerly the steps in those grades were \$500 and we have reduced it to \$250.

Mr. Chairman, I have no further requests for time.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Classification Act of 1923, as amended, is hereby further amended as follows:

SEC. 2. Section 7 of the said act is hereby amended by inserting the letter "(a)" after the figure "7" at the beginning of said section, and by adding the following paragraphs as subsections thereof:

"(b) All employees compensated on a per-annum basis, and occupying permanent positions within the scope of the compensation schedules fixed by this act, who have not attained the maximum rate of compensation for the grade in which their positions are respectively allocated, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next quarter, following the completion of: (1) Each 18 months of service if such employees are in grades in which the compensation increments are \$60 or \$100, or (2) each 30 months of service if such employees are in grades in which the compensation increments are \$200 or \$250, subject to the following conditions:

"(1) That no equivalent increase in compensation from any cause was received during such period, except increase made pursuant to subsection (f) of this section:

"(2) That an employee whose rate of compensation is below the middle rate of the grade shall not be advanced unless his current efficiency is good or better than good;

"(3) That an employee whose rate of compensation is at or above the middle rate of the grade shall not be advanced unless his current efficiency is better than good;

"(4) That the service and conduct of such employee are certified by the head of the department or agency or such official as he may designate as being otherwise satisfactory.

"(c) The term "good" as used herein shall be defined in accordance with the systems of efficiency rating established pursuant to section 9 of this act.

"(d) For the purposes of this section, the fourth salary rate in grades 2 and 3 of the custodial service shall be considered the middle rate.

"(e) Employees eligible under subsection (b) for compensation advancement by reason of service immediately preceding the effective date of this amendment shall be advanced to the next higher rate of compensation within the grade to which their positions are respectively allocated at the beginning of the next quarter immediately following the effective date of this amendment.

"(f) Within the limits of available appropriations and in recognition of especially meritorious services, the heads of departments are authorized to make additional within-grade compensation advancements of not to exceed one step within the grade in any one case and within each of the time periods specified in subsection (b). All actions under this subsection and the reasons therefor shall be reported to the Civil Service Commission. The Commission shall present an annual consolidated report to the Congress covering the numbers and types of actions taken under this subsection.

"(g) The President is hereby authorized to issue such regulations as may be necessary for the administration of this section."

With the following committee amendment:

Page 3, line 11, strike out lines 11 to 16, inclusive, and insert the following: "Within the limit of available appropriations, and in recognition of especially meritorious services, the head of any department or agency is authorized to make additional within-grade compensation advancements, but any such additional advancements shall not exceed one step and no employee shall be eligible for more than one additional advancement hereunder within each of the time periods specified in subsection (b)."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 3. Section 9 of the said act is hereby amended by adding thereto the following paragraph:

"The Civil Service Commission and heads of departments are authorized and directed to take such action as will apply the provisions of this section uniformly to all employees occupying positions within the compensation schedules fixed by this act as nearly as is practicable."

SEC. 4. Section 13 of the said act is hereby further amended so as to provide the following annual rates of compensation and salary steps within grades 14 and 15 of the clerical, administrative, and fiscal service and grades 7 and 8 of the professional and scientific service:

"Clerical, administrative and fiscal service:

"Grade 14: \$6,500, \$6,750, \$7,000, \$7,250, \$7,500.

"Grade 15: \$8,000, \$8,250, \$8,500, \$8,750, \$9,000.

"Professional and scientific service:

"Grade 7: \$6,500, \$6,750, \$7,000, \$7,250, \$7,500.

"Grade 8: \$8,000, \$8,250, \$8,500, \$8,750, \$9,000."

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry the provisions of this act into effect.

SEC. 6. Insofar as they are inconsistent or in conflict with prior laws, the provisions of this act shall control.

SEC. 7. This act shall take effect on

With the following committee amendments:

Page 5, after line 2, insert the following:

"Sec. 5. (a) Title II of the act of November 26, 1940, entitled 'An act extending the classified executive civil service of the United States,' is hereby amended by deleting from section 3 (d) (viii) the words 'verifiers, openers, packers, guards, inspectors, station inspectors', so that the paragraph as amended will read as follows:

"(viii) Officers or positions of clerks and laborers in the Customs Service of the Treasury Department, the compensation of which is fixed under an act of Congress approved May 29, 1928 (45 Stat. 955), as amended."

"(b) Upon the passage of this act, the Secretary of the Treasury shall allocate to the services and grades of the compensation schedules of the Classification Act of 1923, as amended, the other positions heretofore covered by said act of May 29, 1928, in the same manner as other positions in the field service of the Treasury Department are allocated under section 2 of July 3, 1930 (46 Stat. 1003).

"(c) Nothing contained in this section shall be construed to decrease the existing compensation of any employee, but when his position shall become vacant it shall be filled

in accordance with the regular compensation schedule applicable to such position."

Page 6, line 1, strike out "5" and insert "6."

Page 6, line 4, strike out "6" and insert "7."

Page 6, line 6, strike out "7" and insert "8."

Page 6, at the end of line 6, insert "July 1, 1941."

The committee amendments were agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KLEBERG, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 1073, to amend the Classification Act of 1923, as amended, pursuant to House Resolution 236, he reported the same back to the House with sundry amendments agreed to in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered on the bill and amendments to final passage.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. RANDOLPH] may have permission to extend his own remarks in the Record and to include therein a Flag Day address made by Sef-ton Darr.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. RAMSPECK]?

There was no objection.

Mr. DAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include an editorial from the Washington Times-Herald.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DAY]?

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. STRATTON] may have permission to extend his own remarks in the Record and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. MICHENER]?

There was no objection.

Mr. GEHRMANN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include a radio address on the St. Lawrence seaway proposal I am making this evening.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. GEHRMANN]?

There was no objection.

Mr. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their own remarks on the bill H. R. 1073 just passed.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mrs. ROGERS]?

There was no objection.

THE NEW ENGLAND OIL SITUATION

The SPEAKER. Under a previous order of the House, the gentleman from New Hampshire [Mr. STEARNS] is recognized for 20 minutes.

Mr. STEARNS of New Hampshire. Mr. Speaker, on May 31, 1941, the President announced the appointment of the Honorable Harold L. Ickes, Secretary of the Interior, as Petroleum Coordinator for National Defense. Mr. Ickes had already issued a statement warning of a shortage of oil and gasoline during the coming winter. He stated that this shortage would be particularly felt in the North Atlantic region, and he threw out a suggestion about the possibilities of "gasless Sundays" for that region. Since then there has been an attempt to mitigate the effect of this statement.

The fact remains that if such a shortage does develop, it will be due in no small degree not merely to negligence on the part of the administration but also to certain definite policies and acts. If the statement was intended merely as an advance warning, it has already done grave injustice, which cannot be remedied, to an important New England industry.

Let me deal with this second point first, and more particularly as it concerns my own State of New Hampshire. The business of serving the many thousands of vacationists who annually visit us has increased rapidly, and now ranks as one of the most important parts of the State's economic structure. The United States census does not separate recreational activities from other forms of business, so that no exact figures are available. The State planning and development commission, however, estimates the annual value of the tourist dollar in the State of \$75,000,000. The major portion of this is derived from the summer tourist season, and would be heavily curtailed were weekend traffic to be eliminated during that period. The State highway department estimates that gasolineless Sundays during the 4-month period July-October would result in a 13 percent loss in total annual traffic. This would not only mean a heavy loss in the road toll, on which the highway department is chiefly dependent, but it is believed that the total loss in all forms of recreational income might easily reach \$20,000,000. And what is true of New Hampshire is in general true of her neighboring States, though not all of them are so dependent on this particular type of revenue as we.

More than any other industry, the recreational touches all classes in the community. Much of the guest accommodation is in private homes, while the food supplied by our farmers, the business done by storekeepers, movie houses, and so on spreads the expenditures of our guests among a very considerable proportion of our people.

As our many small manufacturing plants of 50 years ago have been driven out of business by larger concerns in other parts of the country, this recreational business has in some degree proved

a welcome substitute and has enabled many of our thrifty and industrious citizens to keep their heads above water and their names off the relief rolls.

All this is dependent on publicity, and, as anyone who has had any experience in that line knows, the public reaction to publicity is a very sensitive thing. At this season of the year, when in many a family all over the country plans for the summer holiday are being made, the announcement on high Government authority that "gasless Sundays" in New England are within the range of possibility will have an inhibitory effect which no subsequent explanations can efface. A family in Washington that might have turned its car toward New Hampshire is apt to say, "Where there's smoke there must be fire; we might get caught up there; better go somewhere else this year." And so a part of New Hampshire's quota of tourists will be added to some other region that already has its share, and a substantial number of citizens from other sections will be deprived of their opportunity of enjoying New Hampshire's glorious scenery and profiting by her bracing air.

At this point in my remarks I should like to quote from resolutions recently adopted at a meeting of the Northeastern Cabin Owners' Association, Inc., held at the Flume Reservation, Franconia Notch, N. H.:

There is some talk of gasolineless Sundays and perhaps other drastic regulations on gasoline and oil. This naturally greatly disturbs thousands of people who rely wholly on the summer travel for their livelihood.

While we believe that we in New England in the resort business are as loyal Americans as can be found in any industry in the country, and are anxious to cooperate with our Government in anything that will promote our defense program, we feel that such Sundays and regulations would be such a hardship that they would not only injure our business and put many people out of work but would also cause a great loss to the Government in revenue received from admission tickets and many other taxes from the tourist dollar.

So much for injury already caused to the tourist industry of New England by this unneeded and indiscreet piece of publicity from the Petroleum Coordinator. Let us look now at the conditions which caused it, and the reasons for their existence.

There is no shortage of oil. Production at the present time is well below capacity, and can be stepped up, so oil men state, to meet any need which can now be foreseen. As a matter of fact, 2,000,000 barrels are now held up at Gulf ports for lack of transportation. The hold-up comes in the matter of distribution; and this is why the northeastern section of the country is most seriously threatened.

Practically all the oil for the Atlantic seaboard is carried by tankers. In accumulating a pool of 2,000,000 tons of shipping to aid Britain, as directed by the President, the Maritime Commission has hit this tanker fleet hard. It is understood that about 50 tankers have been requisitioned for this purpose; and that all of these have been taken from the fleet of 250 which regularly serves the northern coast. A number of others have been

taken over by the Navy. We in New England are in hearty sympathy not only with the national-defense program but with maximum aid to Britain, but we believe that we are being treated unfairly when we are made to bear the whole burden caused by the release of tankers for this purpose.

That the sections of the country that lie nearest to the oil fields and are served by existing pipe lines should be better off is natural, but how are we to account for the fact that our neighbors across the northern border in Canada have no shortage? Their supply comes from our wells, and yet it is officially stated that they not only are not short now but anticipate no shortage, and they are actually advertising in newspapers of the United States that tourists have no reason to fear any restrictions.

Another thing that does not set well is the continued shipment of oil to Japan. So long as our supplies are more than adequate for our own use, the question of whether it is sound policy to appease the Japanese by giving them such quantities from the United States and the Netherlands Indies as they need for domestic consumption may perhaps be left to the State Department. Unfortunately, such shipments call for more tankers. We are told that no American tankers are serving Japan, but some have been transferred to Panamanian registry, and it seems to be impossible to learn to what extent these are being employed in the trans-Pacific service. When these shipments run to over 1,000,000 barrels a month, as the Department of Commerce states that they did in the first quarter of the current year, it would seem that the tanker fleet serving American ports must have been affected, directly or indirectly.

We are assured that plans are under way for pipe lines to the Northeastern States. A bill removing obstacles to the construction of such pipe lines has passed the House, but present reports are that it is being held up in the Senate. And when it is finally passed, and priority on materials is granted, at least 6 months will still be required before the lines can possibly be in operation—other estimates run as high as 2 years. Pipe lines "on order" are no more serviceable than munitions on order.

Railroad tank cars have brought only a small percentage of New England's oil. It is stated, however, that 20,000 such cars are standing idle at the present time; and their temporary assignment to this haul might well break the back of the shortage, at least until more permanent remedies have been provided.

The tankers are owned by the oil companies, and in normal times there is a great deal of duplication in their service, tankers of the various great companies calling at the same ports along the Atlantic seaboard. Before removing one-fifth of the Atlantic coast fleet, some plan should have been worked out for the re-allocation of the remaining ships, even if this involved Government control. Rationing of tankers should come before rationing of gasoline.

My inquiries lead me to believe that the alarm may have been exaggerated and that ways can be found of meeting the

situation before the shortage becomes acute. I want to emphasize, however, the obligation of the Government to provide without delay the necessary coordination of effort to achieve this. And in the meantime I want to protest, with all the power at my command against this further instance of the tendency of the present administration to talk first and act later, if at all. I say again, as I said at the beginning, that whatever the outcome irreparable harm has already been done; and the more effective the steps that are taken to meet the crisis the less was the need of the scare-head announcements coming at the very opening of the New England tourist season.

This is just one more example of the ever-present possibility of conflict between Government departments—one agency pursuing an objective good in itself without studying its effect on other aspects of our national life. It emphasizes again the fact that our national-defense effort cannot reach its fullest efficiency until it is coordinated under one executive head. We in New Hampshire are prepared to join with the rest of the country in any necessary steps to conserve our oil resources; we shall rejoice if it proves to be possible to release yet more tankers for Britain. But we do object to the Government's taking the easiest way of sectional discrimination, instead of using the vast powers at its command to make plans in advance for an equitable distribution of the burden.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, FISCAL YEAR 1942

Mr. CANNON of Missouri submitted a conference report and statement on the bill (H. R. 3735) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1942, and for other purposes.

SPECIAL ORDER

The SPEAKER pro tempore (Mr. THOMASON). Under a previous order of the House the gentleman from New York [Mr. DICKSTEIN] is recognized for 10 minutes.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain excerpts from an investigation dealing with the question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I call the attention of the Congress to the fact that throughout this country—in almost every large city—there seem to be growing up a lot of mushroom newspapers, published by incompetent and unreliable persons, to spread the gospel of communism and fascism, and to teach these poor folks at home who believe in them that their philosophy of government is far better than the philosophy of the American form of government.

I think that, in spite of the fact that I believe in free speech and free press, some statements which appear in these mushroom newspapers, backed by the Fascist and Communist groups should not be allowed to be published as they constitute a danger to our country in these

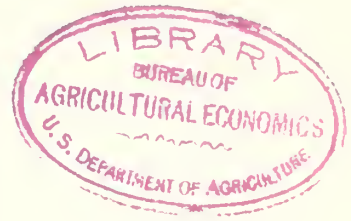
1000





77TH CONGRESS
1ST SESSION

H. R. 1073



IN THE SENATE OF THE UNITED STATES

JUNE 19 (legislative day, JUNE 10), 1941

Read twice and referred to the Committee on Civil Service

AN ACT

To amend the Classification Act of 1923, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Classification Act of 1923, as amended, is hereby
4 further amended as follows:

5 SEC. 2. Section 7 of the said Act is hereby amended by
6 inserting the letter "(a)" after the figure "7" at the begin-
7 ning of said section, and by adding the following paragraphs
8 as subsections thereof:

9 "(b) All employees compensated on a per annum basis,
10 and occupying permanent positions within the scope of the
11 compensation schedules fixed by this Act, who have not

1 attained the maximum rate of compensation for the grade in
2 which their positions are respectively allocated, shall be
3 advanced in compensation successively to the next higher
4 rate within the grade at the beginning of the next quarter,
5 following the completion of: (1) Each eighteen months of
6 service if such employees are in grades in which the com-
7 pensation increments are \$60 or \$100, or (2) each thirty
8 months of service if such employees are in grades in which
9 the compensation increments are \$200 or \$250, subject to
10 the following conditions:

11 “(1) That no equivalent increase in compensation from
12 any cause was received during such period, except increase
13 made pursuant to subsection (f) of this section:

14 “(2) That an employee whose rate of compensation is
15 below the middle rate of the grade shall not be advanced
16 unless his current efficiency is good or better than good;

17 “(3) That an employee whose rate of compensation is
18 at or above the middle rate of the grade shall not be advanced
19 unless his current efficiency is better than good;

20 “(4) That the service and conduct of such employee
21 are certified by the head of the department or agency or such
22 official as he may designate as being otherwise satisfactory.

23 “(c) The term ‘good’ as used herein shall be defined in

1 accordance with the systems of efficiency rating established
2 pursuant to section 9 of this Act.

3 “(d) For the purposes of this section, the fourth salary
4 rate in grades 2 and 3 of the custodial service shall be
5 considered the middle rate.

6 “(e) Employees eligible under subsection (b) for com-
7 pensation advancement by reason of service immediately pre-
8 ceding the effective date of this amendment shall be advanced
9 to the next higher rate of compensation within the grade to
10 which their positions are respectively allocated at the begin-
11 ning of the next quarter immediately following the effective
12 date of this amendment.

13 “(f) Within the limit of available appropriations, and
14 in recognition of especially meritorious services, the head
15 of any department or agency is authorized to make addi-
16 tional within-grade compensation advancements, but any
17 such additional advancements shall not exceed one step and
18 no employee shall be eligible for more than one additional
19 advancement hereunder within each of the time periods
20 specified in subsection (b). All actions under this subsec-
21 tion and the reasons therefor shall be reported to the Civil
22 Service Commission. The Commission shall present an
23 annual consolidated report to the Congress covering the
24 numbers and types of actions taken under this subsection.

1 “(g) The President is hereby authorized to issue such
2 regulations as may be necessary for the administration of
3 this section.”

4 SEC. 3. Section 9 of the said Act is hereby amended by
5 adding thereto the following paragraph:

6 “The Civil Service Commission and heads of depart-
7 ments are authorized and directed to take such action as
8 will apply the provisions of this section uniformly to all em-
9 ployees occupying positions within the compensation sched-
10 ules fixed by this Act as nearly as is practicable.”

11 SEC. 4. Section 13 of the said Act is hereby further
12 amended so as to provide the following annual rates of
13 compensation and salary steps within grades 14 and 15 of
14 the clerical, administrative, and fiscal service and grades 7
15 and 8 of the professional and scientific service:

16 “Clerical, administrative, and fiscal service:

17 “Grade 14: \$6,500, \$6,750, \$7,000, \$7,250,
18 \$7,500.

19 “Grade 15: \$8,000, \$8,250, \$8,500, \$8,750,
20 \$9,000.

21 “Professional and scientific service:

22 “Grade 7: \$6,500, \$6,750, \$7,000, \$7,250, \$7,500.

23 “Grade 8: \$8,000, \$8,250, \$8,500, \$8,750,
24 \$9,000.”

25 SEC. 5. (a) Title II of the Act of November 26, 1940,

1 entitled "An Act extending the classified executive civil serv-
2 ice of the United States", is hereby amended by deleting from
3 section 3 (d) (viii) the words "verifiers, openers, packers,
4 guards, inspectors, station inspectors" so that the paragraph
5 as amended will read as follows:

6 " (viii) Offices or positions of clerks and laborers
7 in the Customs Service of the Treasury Department, the
8 compensation of which is fixed under an Act of Congress
9 approved May 29, 1928 (45 Stat. 955) . as amended;".

10 (b) Upon the passage of this Act, the Secretary of the
11 Treasury shall allocate to the services and grades of the
12 compensation schedules of the Classification Act of 1923, as
13 amended, the other positions heretofore covered by said Act
14 of May 29, 1928, in the same manner as other positions in
15 the field service of the Treasury Department are allocated
16 under section 2 of July 3, 1930 (46 Stat. 1003) .

17 (c) Nothing contained in this section shall be construed
18 to decrease the existing compensation of any employee, but
19 when his position shall become vacant it shall be filled in
20 accordance with the regular compensation schedule applicable
21 to such position.

22 SEC. 6. There are hereby authorized to be appropriated
23 such sums as may be necessary to carry the provisions of
24 this Act into effect.

1 SEC. 7. Insofar as they are inconsistent or in conflict
2 with prior laws, the provisions of this Act shall control.

3 SEC. 8. This Act shall take effect on July 1, 1941.

Passed the House of Representatives June 17, 1941.

Attest:

SOUTH TRIMBLE,

Clerk.

AN ACT

To amend the Classification Act of 1923, as amended.

JUNE 19 (legislative day, JUNE 10), 1941

Read twice and referred to the Committee on
Civil Service

AMENDING THE CLASSIFICATION ACT OF 1923, AS AMENDED

HEARING

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON CIVIL SERVICE UNITED STATES SENATE SEVENTY-SEVENTH CONGRESS

FIRST SESSION

ON

S. 1432

A BILL TO ESTABLISH A SYSTEM OF AUTOMATIC SALARY
INCREASES WITHIN THE FEDERAL SERVICE

S. 1634

A BILL TO AMEND THE CLASSIFICATION ACT OF 1923,
AS AMENDED

H. R. 1073

AN ACT TO AMEND THE CLASSIFICATION ACT OF 1923,
AS AMENDED

JUNE 27, 1941

Printed for the use of the Committee on Civil Service



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1941

COMMITTEE ON CIVIL SERVICE

W. J. BULOW, South Dakota, *Chairman*

KENNETH McKELLAR, Tennessee

WILLIAM LANGER, North Dakota

WALTER F. GEORGE, Georgia

HAROLD H. BURTON, Ohio

HARRY FLOOD BYRD, Virginia

GEORGE D. AIKEN, Vermont

SHERIDAN DOWNEY, California

JAMES M. MEAD, New York

JOSEPH ROSIER, West Virginia

ERNEST J. THOMAS, *Clerk*

SUBCOMMITTEE ON S. 1432, S. 1634, AND H. R. 1073

JAMES M. MEAD, *Chairman*

HARRY FLOOD BYRD

GEORGE D. AIKEN

CONTENTS

Statement of—	Page
Ramspeck, Robert.....	7
Young, Edgar B.....	11
Baruch, Ismar.....	18
Steward, Luther C.....	24
Stengle, Col. Charles I.....	24
Nelson, Miss Eleanor.....	25
Connell, George L.....	29

AMENDING THE CLASSIFICATION ACT OF 1923, AS AMENDED

FRIDAY, JUNE 27, 1941

UNITED STATES SENATE,
CIVIL SERVICE SUBCOMMITTEE,
Washington, D. C.

The subcommittee met, pursuant to call, at 2 p. m. in the Post Roads Committee room, Capitol Building, Senator James M. Mead (chairman) presiding.

Present: Senators Mead (chairman), Aiken, and Byrd.

Senator MEAD. The committee will please come to order.

As everybody knows this meeting is called for the purpose of holding a hearing on H. R. 1073, S. 1634, and S. 1432. We have the author of H. R. 1073 here, and both for the record and for the subcommittee I would like to have him, as briefly as he desires, explain the general outline of the bill to us.

(H. R. 1073, S. 1634, and S. 1432 are as follows:)

[H. R. 1073, 77th Cong., 1st sess.]

AN ACT To amend the Classification Act of 1923, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Classification Act of 1923, as amended, is hereby further amended as follows:

SEC. 2. Section 7 of the said Act is hereby amended by inserting the letter "(a)" after the figure "7" at the beginning of said section, and by adding the following paragraphs as subsections thereof:

"(b) All employees compensated on a per annum basis, and occupying permanent positions within the scope of the compensation schedules fixed by this Act, who have not attained the maximum rate of compensation for the grade in which their positions are respectively allocated, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next quarter, following the completion of: (1) Each eighteen months of service if such employees are in grades in which the compensation increments are \$60 or \$100, or (2) each thirty months of service if such employees are in grades in which the compensation increments are \$200 or \$250, subject to the following conditions:

"(1) That no equivalent increase in compensation from any cause was received during such period, except increase made pursuant to subsection (f) of this section:

"(2) That an employee whose rate of compensation is below the middle rate of the grade shall not be advanced unless his current efficiency is good or better than good;

"(3) That an employee whose rate of compensation is at or above the middle rate of the grade shall not be advanced unless his current efficiency is better than good;

"(4) That the service and conduct of such employee are certified by the head of the department or agency or such official as he may designate as being otherwise satisfactory.

"(c) The term 'good' as used herein shall be defined in accordance with the systems of efficiency rating established pursuant to section 9 of this Act.

"(d) For the purposes of this section, the fourth salary rate in grades 2 and 3 of the custodial service shall be considered the middle rate.

"(e) Employees eligible under subsection (b) for compensation advancement by reason of service immediately preceding the effective date of this amendment

shall be advanced to the next higher rate of compensation within the grade to which their positions are respectively allocated at the beginning of the next quarter immediately following the effective date of this amendment.

"(f) Within the limit of available appropriations, and in recognition of especially meritorious services, the head of any department or agency is authorized to make additional within-grade compensation advancements, but any such additional advancements shall not exceed one step and no employee shall be eligible for more than one additional advancement hereunder within each of the time period specified in subsection (b). All actions under this subsection and the reasons therefor shall be reported to the Civil Service Commission. The Commission shall present an annual consolidated report to the Congress covering the numbers and types of actions taken under this subsection.

"(g) The president is hereby authorized to issue such regulations as may be necessary for the administration of this section."

SEC. 3. Section 9 of the said Act is hereby amended by adding thereto the following paragraph:

"The Civil Service Commission and heads of departments are authorized and directed to take such action as will apply the provisions of this section uniformly to all employees occupying positions within the compensation schedules fixed by this Act as nearly as is practicable."

SEC. 4. Section 13 of the said Act is hereby further amended so as to provide the following annual rates of compensation and salary steps within grades 14 and 15 of the clerical, administrative, and fiscal service and grades 7 and 8 of the professional and scientific service:

"Clerical, administrative, and fiscal service:

"Grade 14: \$6,500, \$6,750, \$7,000, \$7,250, \$7,500.

"Grade 15: \$8,000, \$8,250, \$8,500, \$8,750, \$9,000.

"Professional and scientific service:

"Grade 7: \$6,500, \$6,750, \$7,000, \$7,250, \$7,500.

"Grade 8: \$8,000, \$8,250, \$8,500, \$8,750, \$9,000."

SEC. 5. (a) Title II of the Act of November 26, 1940, entitled "An Act extending the classified executive civil service of the United States", is hereby amended by deleting from section 3 (d) (viii) the words "verifiers, openers, packers, guards, inspectors, station inspectors" so that the paragraph as amended will read as follows:

"(viii) Offices or positions of clerks and laborers in the Customs Service of the Treasury Department, the compensation of which is fixed under an Act of Congress approved May 29, 1928 (45 Stat. 955), as amended;".

(b) Upon the passage of this Act, the Secretary of the Treasury shall allocate to the services and grades of the compensation schedules of the Classification Act of 1923, as amended, the other positions heretofore covered by said Act of May 29, 1928, in the same manner as other positions in the field service of the Treasury Department are allocated under section 2 of July 3, 1930 (46 Stat. 1003).

(c) Nothing contained in this section shall be construed to decrease the existing compensation of any employee, but when his position shall become vacant it shall be filled in accordance with the regular compensation schedule applicable to such position.

SEC. 6. There are hereby authorized to be appropriated such sums as may be necessary to carry the provisions of this Act into effect.

SEC. 7. Insofar as they are inconsistent or in conflict with prior laws, the provisions of this Act shall control.

SEC. 8. This Act shall take effect on July 1, 1941.

Passed the House of Representatives June 17, 1941.

Attest:

SOUTH TRIMBLE, *Clerk*.

[S. 1634, 77th Cong., 1st sess.]

A BILL To amend the Classification Act of 1923, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Classification Act of 1923, as amended, is hereby further amended as follows:

SEC. 2. Section 7 of the said Act is hereby amended by inserting the letter "(a)" after the figure "7" at the beginning of said section, and by adding the following paragraphs as subsections thereof:

"(b) All employees compensated on a per annum basis, and occupying permanent positions within the scope of the compensation schedules fixed by this Act, who have not attained the maximum rate of compensation for the grade in which their positions are respectively allocated, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next quarter, following the completion of: (1) Each eighteen months of service if such employees are in grades in which the compensation increments are \$60 or \$100, or (2) each thirty months of service if such employees are in grades in which the compensation increments are \$200 or \$250, subject to the following conditions:

"(1) That no equivalent increase in compensation from any cause was received during such period, except increase made pursuant to subsection (f) of this section;

"(2) That an employee whose rate of compensation is below the middle rate of the grade shall not be advanced unless his current efficiency is good or better than good;

"(3) That an employee whose rate of compensation is at or above the middle rate of the grade shall not be advanced unless his current efficiency is better than good;

"(4) That the service and conduct of such employee are certified by the head of the department or agency or such official as he may designate as being otherwise satisfactory.

"(c) The term 'good' as used herein shall be defined in accordance with the systems of efficiency rating established pursuant to section 9 of this Act.

"(d) For the purposes of this section, the fourth salary rate in grades 2 and 3 of the custodial service shall be considered the middle rate.

"(e) Employees eligible under subsection (b) for compensation advancement by reason of service immediately preceding the effective date of this amendment shall be advanced to the next higher rate of compensation within the grade to which their positions are respectively allocated at the beginning of the next quarter immediately following the effective date of this amendment.

"(f) Within the limit of available appropriations, and in recognition of especially meritorious services, the head of any department or agency is authorized to make additional within-grade compensation advancements, but any such additional advancements shall not exceed one step and no employee shall be eligible for more than one additional advancement hereunder within each of the time periods specified in subsection (b). All actions under this subsection and the reasons therefor shall be reported to the Civil Service Commission. The Commission shall present an annual consolidated report to the Congress covering the numbers and types of actions taken under this subsection.

"(g) The President is hereby authorized to issue such regulations as may be necessary for the administration of this section."

SEC. 3. Section 9 of the said Act is hereby amended by adding thereto the following paragraph:

"The Civil Service Commission and heads of departments are authorized and directed to take such action as will apply the provisions of this section uniformly to all employees occupying positions within the compensation schedules fixed by this Act as nearly as is practicable."

SEC. 4. Section 13 of the said Act is hereby further amended so as to provide the following annual rates of compensation and salary steps within grades 14 and 15 of the clerical, administrative, and fiscal service and grades 7 and 8 of the professional and scientific service:

"Clerical, administrative, and fiscal service:

"Grade 14: \$6,500, \$6,750, \$7,000, \$7,250, \$7,500.

"Grade 15: \$8,000, \$8,250, \$8,500, \$8,750, \$9,000.

"Professional and scientific service:

"Grade 7: \$6,500, \$6,750, \$7,000, \$7,250, \$7,500.

"Grade 8: \$8,000, \$8,250, \$8,500, \$8,750, \$9,000."

SEC. 5. (a) Title II of the Act of November 26, 1940, entitled "An Act extending the classified executive civil service of the United States", is hereby amended by deleting from section 3 (d) (viii) the words "verifiers, openers, packers, guards inspectors, station inspectors" so that the paragraph as amended will read as follows:

"(viii) Offices or positions of clerks and laborers in the Customs Service of the Treasury Department, the compensation of which is fixed under an Act of Congress approved May 29, 1928 (45 Stat. 955), as amended;";

(b) Upon the passage of this Act, the Secretary of the Treasury shall allocate to the services and grades of the compensation schedules of the Classification

Act of 1923, as amended, the other positions heretofore covered by said Act of May 29, 1928, in the same manner as other positions in the field service of the Treasury Department are allocated under section 2 of July 3, 1930 (46 Stat. 1003).

(c) Nothing contained in this section shall be construed to decrease the existing compensation of any employee, but when his position shall become vacant it shall be filled in accordance with the regular compensation schedule applicable to such position.

SEC. 6. There are hereby authorized to be appropriated such sums as may be necessary to carry the provisions of this Act into effect.

SEC. 7. Insofar as they are inconsistent or in conflict with prior laws, the provisions of this Act shall control.

SEC. 8. This Act shall take effect on July 1, 1941.

[S. 1432, 77th Cong., 1st sess.]

A BILL To establish a system of automatic salary increases within the Federal service.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Classification Act of 1923, as amended, is amended to read as follows:

"Every employee shall automatically receive an increase in salary at the beginning of the quarter following each year's service, to the next higher salary rate within the grade in which his position is allocated, until he shall have attained the highest rate prescribed for such grade; *Provided, however,* That such increases may be withheld from not more than 10 per centum of the employees of a department on the ground that their efficiency during such a year fell below the standard necessary for the most effective administration of such department.

"Every employee who shall have completed five years of service at the highest rate of pay prescribed for the grade in which his position is allocated shall automatically be entitled to and shall receive an increment of \$120 per annum in addition to such rate, and shall be entitled to and shall receive an additional increment of \$120 per annum upon the completion of each successive five years of service thereafter.

"The compensation of an employee shall in no way be affected by the average of the compensation paid to other employees in his grade or class.

"Nothing herein contained shall be construed to prevent an increase in salary greater than the minimum provided for herein or for promotion of any employee from a position in one class to a vacant position in a higher class at any time in accordance with civil-service laws, and when so promoted such employee shall receive compensation according to the schedule established for the class to which he is promoted."

SEC. 2. Section 9 of the Classification Act of 1923, as amended, is amended to read as follows:

"The Board for each department shall review and may revise uniform systems of efficiency rating established or to be established for the various grades or classes thereof, with the approval of the Civil Service Commission.

"The head of each department shall rate in accordance with such systems the efficiency of each employee under his control or direction. The current ratings and the written reports upon which such ratings are based for each grade or class thereof shall be open to inspection by the representatives of the Board and by the employees of the department and the duly constituted representatives of any such employee under conditions to be determined by the Board after consultation with the department heads.

"Reductions in compensation and dismissals for inefficiency may be made by heads of departments in all cases whenever the efficiency ratings warrant, subject to the approval of the departmental board of review."

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry the provisions of this Act into effect.

SEC. 4. This Act shall take effect July 1, 1941, and may be cited as the "Federal Workers Automatic Salary Increase Act".

REPORTS FROM CIVIL SERVICE COMMISSION

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., July 5, 1941.HON. W. J. BULOW,
Chairman, Committee on Civil Service,
United States Senate.

MY DEAR MR. CHAIRMAN: In response to your letter of June 21, 1941, I am submitting a statement of the Commission's views on H. R. 1073, a bill to amend the Classification Act of 1923, as amended, which passed the House on June 17 last. This statement is the same as that furnished with reference to S. 1634, which duplicates H. R. 1073 in the form in which it passed the House.

It is designed to aid in administering systematically and equitably the use of the intermediate rates within the various salary scales established by Congress in the Classification Act of 1923, as amended. These salary scales consist of ranges of pay comprising a minimum rate, a maximum rate, and as a rule, several intermediate rates. These intermediate rates are commonly spoken of as increments or step-ups, and the action of increasing an employee's pay from one intermediate rate to a higher one is commonly known as an administrative promotion or a within-grade advancement. Under the Classification Act, positions are allocated on the basis of their duties and responsibilities to one of the statutory grades specified in the act. The action of allocating a position makes that position subject to the salary scale attached to the appropriate grade. The law provides in such cases that the incumbent of the position shall not receive less than the minimum nor more than the maximum but the application of the intermediate rates has never been systematically or equitably controlled.

The unsatisfactoriness of this phase of salary administration dealing with within-grade advancements has been well known to the House Appropriations Committee for some time and in connection with its consideration of the Treasury-Post Office appropriation bill for the fiscal year 1940 (Rept. 98), it requested the Bureau of the Budget to prepare a suitable plan to improve the situation. The Bureau of the Budget presented a report to the House Appropriations Committee, which transmitted it to the House Civil Service Committee for consideration. It was printed by the latter committee under the title, "A salary advancement plan for the Federal service." Hearings were held by the House Civil Service Committee and the bill was reported out favorably in Report 533, with minor amendments.

The Commission favors the passage of this bill because it is a necessary supplement to the Classification Act of 1923, as amended, and will result in unifying the application of the intermediate rates within the salary scales of that act. It does not raise these salary scales and does not increase levels of pay but it does provide for more effective utilization of existing scales of pay which have been in effect at their present levels for about 11 years. At present, the considerations entering into salary increases within the grade are so varied, one department compared with another, as to make it virtually impossible to afford the same opportunities for and the same treatment of employees in the same classification grade in different bureaus or departments. The method of selecting employees for salary increases, the amount of funds available for the purpose, and the application of the average provision of the appropriation acts have a nonuniform effect.

We believe that the Bureau of the Budget has worked out a plan as indicated in H. R. 1073, passed by the House, which should receive the favorable consideration of the Congress. The Commission and the Bureau of the Budget favor the passage of this bill.

Sincerely yours,

LUCILLE FOSTER McMILLIN,
Acting President.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., July 7, 1941.

Hon. W. J. BULOW,
Chairman, Committee on Civil Service,
United States Senate.

MY DEAR MR. CHAIRMAN: In compliance with your request of June 18, we desire to make the following comments on S. 1634, a bill introduced by Senator Mead to amend the Classification Act of 1923, as amended.

This bill is the same as H. R. 1073 in the form in which it was reported out favorably by the House Civil Service Committee and was passed by the House on June 17. It is designed to aid in administering systematically and equitably the use of the intermediate rates within the various salary scales established by Congress in the Classification Act of 1923, as amended. These salary scales consist of ranges of pay comprising a minimum rate, a maximum rate, and as a rule, several intermediate rates. These intermediate rates are commonly spoken of as increments or step-ups, and the action of increasing an employee's pay from one intermediate rate to a higher one is commonly known as an administrative promotion or a within-grade advancement. Under the Classification Act, positions are allocated on the basis of their duties and responsibilities to one of the statutory grades specified in the act. The action of allocating a position makes that position subject to the salary scale attached to the appropriate grade. The law provides in such cases that the incumbent of the position shall not receive less than the minimum nor more than the maximum but the application of the intermediate rates has never been systematically or equitably controlled.

The unsatisfactoriness of this phase of salary administration dealing with within-grade advancements has been well known to the House Appropriations Committee for some time and in connection with its consideration of the Treasury-Post Office appropriation bill for the fiscal year 1940 (Rept. 98), it requested the Bureau of the Budget to prepare a suitable plan to improve the situation. The Bureau of the Budget presented a report to the House Appropriations Committee, which transmitted it to the House Civil Service Committee for consideration. It was printed by the latter committee under the title, "A salary advancement plan for the Federal service." Hearings were held by the House Civil Service Committee and the bill was reported out favorably in Report 533, with minor amendments.

The Commission favors the passage of this bill because it is a necessary supplement to the Classification Act of 1923, as amended, and will result in unifying the application of the intermediate rates within the salary scales of that act. It does not raise these salary scales and does not increase levels of pay but it does provide for more effective utilization of existing scales of pay which have been in effect at their present levels for about 11 years. At present, the considerations entering into salary increases within the grade are so varied, one department compared with another, as to make it virtually impossible to afford the same opportunities for and the same treatment of employees in the same classification grade in different bureaus or departments. The method of selecting employees for salary increases, the amount of funds available for the purpose, and the application of the average provision of the appropriation acts have a nonuniform effect.

We believe that the Bureau of the Budget has worked out a plan as indicated in H. R. 1073 passed by the House, which should receive the favorable consideration of the Congress. The Commission and the Bureau of the Budget favor the passage of this bill.

Sincerely yours,

LUCILLE FOSTER McMILLIN,
Acting President.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., May 26, 1941.

Hon. W. J. BULOW,
Chairman, Committee on Civil Service,
United States Senate.

MY DEAR MR. CHAIRMAN: In compliance with your request of May 3, 1941, receipt of which was acknowledged on May 14, 1941, we are submitting the following comments on S. 1432, a bill to establish a system of automatic salary increases within the Federal service.

The bill includes two major features. It proposes to establish an automatic salary advancement plan for employees who occupy positions, the salaries of

which are fixed under the pay schedules of the Classification Act of 1923. It also provides for what might be called longevity pay increases.

The automatic salary advancement plan proposed depends primarily on length of service. Annual salary increases to the next higher rate within the grade to which the employee's position is allocated are made mandatory except that not more than 10 percent of the employees of a department may be excluded from receiving these salary increases if they do not meet an appropriate efficiency or performance standard. The Commission is not in favor of any salary advancement plan which lays too much emphasis on length of service alone. Any salary advancement plan should offer a positive incentive to the employee to increase his usefulness to the service and the higher salary rates within each grade should be reserved for those who render very good or excellent service rather than normally satisfactory or good service. The procedure for determining an employee's eligibility for a salary increase should make his efficiency rating a positive rather than a negative factor.

With respect to longevity increases, the bill provides that employees who have served at the maximum rate of pay for their respective grades for 5 years shall be automatically entitled to an increment of \$120 a year in addition to the maximum rate, and that they shall also receive an additional increment of \$120 a year upon the completion of each successive 5 years of service thereafter. Probably the problem of the employee who has reached the maximum rate of his grade, assuming that his performance is sufficiently meritorious to deserve recognition, should be met by opening opportunities to him for promotion to positions in higher grades involving greater difficulties or responsibilities of work and consequently service of greater value to the Government; but in those agencies where the nature of the work is such as to provide little opportunity for the creation of higher positions the bill provides a means of recognizing long and faithful service.

This bill should be considered in connection with H. R. 1073 which is based upon a report from the Director of the Budget entitled "A salary advancement plan for the Federal service," which has been transmitted through the chairman of the House Committee on Appropriations to the chairman of the House Committee on the Civil Service. The thorough and comprehensive discussion of the problems involved in developing a salary advancement plan which appears in this document makes it clear that the provisions of S. 1432 are much less desirable or feasible than those contained in H. R. 1073.

We have been advised by the Bureau of the Budget that S. 1432 is not in accordance with the program of the President.

Sincerely yours,

HARRY B. MITCHELL, *President.*

STATEMENT OF CONGRESSMAN ROBERT RAMSPECK

Mr. RAMSPECK. Mr. Chairman, this matter originated with the House Committee on Appropriations some 2 years ago.

My information is that that committee found the problem of what amounts of money should be allotted to various agencies of our Government for salary advancements was a most troublesome one, and that there was no uniformity in the practices within the agencies themselves or the practices of the various subcommittees of the Appropriations Committee in granting money to the agencies.

As a result they asked the Director of the Budget 2 years ago to make a study of the problem and the Budget Bureau did make that study over a period of about 2 years, and in September of last year it transmitted its report to the chairman of the Committee on Appropriations, the Honorable Edward T. Taylor.

The recommendation the Budget made was for amendment of the Classification Act which comes under the jurisdiction of the Appropriations Committee in the House, and the chairman of the Appropriations Committee on September 30, 1940, transmitted the report to me, as chairman of the House Committee on Civil Service, for such action as the Civil Service Committee thought was proper.

I consulted with members of the Appropriations Committee and received reasonable assurance that if we followed the recommendations of the Budget Bureau on that, the Appropriations Committee would be inclined to follow the act.

I think it is well for everybody to understand that this bill could not be effective insofar as any benefits to employees are concerned unless the Appropriations Committee appropriates the money, because section 7 of the Classification Act provides that nobody can get a salary increase until Congress has made the money available, so that the plan outlined in this bill H. R. 1073 and Senator Mead's companion bill is dependent upon the cooperation of the appropriating body for its effectiveness.

The bill is rather simple. It simply provides that people, who have certain efficiency ratings, if their salary is \$3,800 or less, be promoted one step in the grade each 18 months.

If it is above that amount they can get that one step promotion every 30 months.

In any event it is dependent upon the Congress appropriating the money, and, therefore, the bill is not a salary promotion bill.

It is simply a bill to regulate the distribution of whatever money the Appropriations Committee permits to be used for that purpose. The idea, of course, of the bill is that these promotions will be made, and the Budget Bureau study shows that over a period of 10 years the average annual increase in the pay roll will be approximately \$2,900,000.

Now, that sounds like a good deal of money—\$29,000,000 in 10 years, but the truth about it is that in some years we have appropriated as much as \$7,000,000 in 1 year for salary advancements.

In other years we haven't appropriated anything. The result is that there has been much dissatisfaction among the employees because we had no policy.

Then, when money has been given to certain agencies there has been nothing to control the distribution of those funds, and you will find in the report on page 37, the Budget Report, table 9, a study of the promotions and salary advancements made in the fiscal year ending June 30, 1939, and you will find a very wide variation in the percentage of employees who received promotions during that year.

For instance, I find in one agency of the Government somewhat involved in the labor field—National Labor Relations Board for instance promoted 65% percent of its employees during that fiscal year while the National Mediation Board only promoted 5% percent.

Those figures don't reveal the entire picture because sometimes the agencies have used the money to give large promotions to a few employees and have ignored the vast majority of the employees.

For instance, somebody would get \$1,000 a year promotion, and hundreds of employees, who would have been greatly benefited by a \$60 a year promotion, have been ignored.

For that reason I felt—after studying this report—that the Budget Bureau had gotten up a good system and one that would regulate and rationalize the use of whatever money Congress saw fit to appropriate for this purpose, and I believe, from a study of the plan, that it will do exactly what the Budget Director says, that in the long run it will probably save us money instead of cost us money, and bring about better morale and more satisfaction, and it retains the incentive for

good work on the part of employees because only those who have the right efficiency ratings can receive these appropriations.

It is not an automatic promotion plan, at all, but is limited to those who do have good or better efficiency ratings.

Senator MEAD. And under the Ramspeck Act that was passed in the last Congress, they have a right of appeal now on their efficiency ratings?

Mr. RAMSPECK. That is right; yes.

Senator MEAD. So that it presents a fair and reasonable program?

Mr. RAMSPECK. Yes; I think that is true. I don't want to make this suggestion to the Senate committee. I don't know what the attitude of the Senate Appropriations Committee is, but the House committee told me in effect that if we expect this plan to be used, that we must stick to the plan the Budget Bureau has offered.

For that reason I resisted all amendments over there except one amendment dealing with customs' employees to which the Budget Bureau agreed.

Now, we had some strong pressure for a more automatic system, and while I sympathize with the desire of employees to have an automatic system, I don't believe we could have passed that sort of a system over there and I don't believe the Appropriations Committee would go behind the plan that the Budget Bureau has laid down after that careful study. I think that is about all I could say.

Senator MEAD. You only added one amendment to the bill, and that with the approval of the originator of the idea—the Budget Bureau.

Mr. RAMSPECK. That is right, and with the approval of the employees involved, that is, the Customs Service where we took some of them out under the Bacharach Act and put them under the Classification Act so they could get the benefit of this promotion system.

It does not deal, Mr. Chairman, with the Post Office Department at all or with the other agencies of the Government that have a pay system of their own.

They are enumerated in title II of the Ramspeck Act, and those agencies are exempted except that we did take in some of the customs' employees at their request and with the approval of the Budget.

Senator MEAD. You took in some customs' employees?

Mr. RAMSPECK. Yes; we took them in under this Act and out of the Bacharach Act.

Senator AIKEN. Do you anticipate that any of the provisions of this act will be applied also to the Federal employees under Social Security and Old Age Assistance?

Mr. RAMSPECK. It will not apply, Governor, to any employees who are employees of the State, even though they may be paid from funds allotted by the Federal Government to the State.

It only applies to Federal employees. It wouldn't apply to the people administering the Social Security set-up in the States.

Senator AIKEN. I know we have been working for 2 years on some plan for uniform increases in salaries, and I was wondering how nearly the plans that we worked out in the States coincide with this plan which you are proposing now.

Mr. RAMSPECK. This doesn't affect those employees because they are technically employees of the State, although in many cases their entire salary comes from the Federal funds, but the State controls

the amount of money each employee gets—under certain limitations, of course, set up in the Social Security Act. This bill is limited to Federal employees.

Senator MEAD. I understand there is a prohibition against within-grade promotions in H. R. 5166, making appropriations for deficiencies in certain agencies, section 302 of which reads—

No appropriation or part of any appropriation available for obligation during the fiscal year 1942, including funds of Government-owned or controlled corporations, and so forth, shall be used for granting within-grade salary advancements to any officers—

and so on.

And then, with this exception—

Provided, That this section shall cease to be operative whenever a uniform within-grade salary advancement plan for positions compensated according to such classification as amended shall take effect pursuant to law.

So that requires action before the employees can be considered for promotional advancement.

Mr. RAMSPECK. Yes; I think the idea of the House Appropriations Committee in including that provision was that, pending the disposition of this legislation which your committee is now considering, they withheld from the departmental appropriation bill such limitations as they had on promotions heretofore, and, in order to have a uniform practice, they decided to put this general prohibition in, and if this act is passed, then that prohibition dies.

Senator MEAD. That is right.

Mr. RAMSPECK. Mr. Chairman, there is one suggestion with reference to this bill that has come to me since it passed the House, and that is in regard to professional and scientific service, grade 7, on line 22 of page 4 of the bill as it passed the House.

The suggestion has been made to me that, if an additional step was added there, making this grade run from \$6,500 to \$7,750, that it might eliminate a lot of trouble about reclassification. I just throw that out for the consideration of the representative of the Bureau of the Budget and the Civil Service Commission's Classification Division.

Senator MEAD. Where is that—page 4?

Mr. RAMSPECK. Page 4, line 22. You see that grade stops at \$7,500; grade 8 starts at \$8,000, so there is a jump of \$500 in there.

In line 18, also, in the clerical, administrative, and fiscal service, it stops at \$7,500. Grade 14 and grade 15 picks up at \$8,000. Now, you see, this bill is designed—in these higher paid grades—to provide steps of \$250 instead of \$500, and if it meets with the approval of the Budget Bureau and Mr. Baruch of the Classification Commission, I would be glad to see an additional step added there, because I think it works in with the plan that the bill provides for \$250 steps in these higher-grade salaries.

That is the only suggestion I have in regard to the proposed amendment. That is just a thing that came up after the bill passed the House.

Senator MEAD. The committee will be very glad to have the opinion of the Budget and the classification authority with reference to the proposed amendment.

Anything further?

Mr. RAMSPECK. That is all I have to say, Senator.

Senator MEAD. All right. Now, I believe we ought to hear from the Budget — the Bureau of the Budget.

Will you give your name to the reporter?

**STATEMENT OF EDGAR B. YOUNG, PERSONNEL OFFICER OF THE
BUREAU OF THE BUDGET**

Mr. YOUNG. My name is Edgar B. Young, personnel officer of the Bureau of the Budget.

Mr. Chairman, may I say at the outset that I want to express on behalf of the Director of the Bureau, Mr. Harold Smith, his regret at his absence from the city and inability to personally indicate his official interest in this bill.

Mr. Smith, as you know, did testify before the Civil Service Committee of the House of Representatives on this matter and I am very certain he would want to be at your hearing, were he in town.

Also, because of his very great interest in this bill, I know he would not have wanted the consideration of the matter by your committee deferred for a moment because of his absence.

Congressman Ramspeck has given such a very excellent and concise statement about the origin and development and provisions of this bill that I think there is very little in addition need be said from the point of view of the Bureau of the Budget.

I should like to refer, if I may, to the official statement which the Director made to the Civil Service Committee of the House of Representatives.

I don't think it is appropriate that we take time at this hearing to repeat his comments on that occasion, but you will find there was a complete statement concerning the attitude of the Bureau toward this matter.

Senator MEAD. Will you suspend for just a moment?

Senator BYRD, this is the representative of the Bureau of the Budget who has just started his explanation of the bill. It is from that agency that the idea germinated and we are asking him now to briefly explain the bill and the reasons for it.

Senator BYRD. I can only stay a few moments. Senator Glass has his bill up.

Senator MEAD. If you can give Senator Byrd just a brief idea of why the Budget suggested a proposal of this kind and what it will cost and so on.

Mr. YOUNG. I will be very glad to, Senator.

As Mr. Ramspeck indicated a few moments ago to the committee, this subject was brought to the attention of the Bureau of the Budget by the Committee of Appropriations of the House.

The committee, in its report on the independent offices' appropriation bill of 1939 indicated the very unsatisfactory situation regarding administrative promotions and the wide variations among departments and agencies which existed.

There is also a frank recognition of the different approaches that were taken by various subcommittees in the provision of funds for this purpose, and the request of the committee was that the Bureau of the Budget survey the situation and present recommendations for a uniform plan for salary advancements.

Following an intensive survey of the promotion situation in the Government, in which the Bureau confirmed, without doubt, the prevailing impressions of inequalities and inconsistencies, the plan that is embodied in H. R. 1073 and S. 1634 was formulated by the Bureau of the Budget and referred officially to the chairman of the Appropriations Committee of the House.

The recommendations of the Budget Bureau were presented in the form of an amendment to the Classification Act, and for that reason the bill was referred to the Civil Service Committee.

I think it may be appropriate to comment briefly on the reason this proposed salary advancement plan was suggested as an amendment to the Classification Act.

This was done because of the strong feeling on the part of the Bureau of the Budget, that the Classification Act included a satisfactory and adequate framework for the handling of this problem and that whatever was done in the matter, of within grade salary advancements should be done within the framework of that act.

It was felt furthermore that, if uniformity was to be achieved throughout the Federal service, the plan for salary advancements should be embodied in permanent legislation and not be a matter that would be subject to frequent change, if, for example, it were attached each year to appropriation bills.

So the proposal has come to you from the Bureau of the Budget as this amendment to the Classification Act.

Now, very briefly, the provisions of the bill provide that when an employee has achieved certain efficiency ratings, he is entitled to receive advancement to the next higher step within his classification grade on attainment of 18 months' service, if he is in a grade below \$3,800, and one step promotion for every 30 months' service if he is in a salary grade of above \$3,800.

There are several other provisions of the bill: One, a provision which permits service rendered prior to the effective date to be counted toward the eligibility for first advancement.

Another provision which we regard as highly significant and important in the bill permits the heads of departments and agencies, within the limits of available funds, and within their administrative discretion, to grant not to exceed one additional step increase within the time period specified, in exceptionally meritorious cases.

It was our feeling that the combination of that provision, and the efficiency rating provision for the regular periodic increases, made of the plan a reasonable compromise between a purely automatic system and a system that was based wholly upon administrative discretion and recognition of efficiency.

We feel that it does give reasonable attention to the two important factors of efficiency rendered on the job and length of service.

At the time the plan of the Bureau of the Budget was presented to the House Appropriations Committee, the figures that were then available indicated the coverage of the proposed bill would apply to approximately 304,000 employees.

Obviously with the increase in the size of the Government since June 30, 1939, the coverage is substantially greater at the present time.

The cost figures that are included in the Budget Bureau's report—

Senator BYRD (interposing). At that point would you designate the class of employees that are to be covered that you have commented upon?

Mr. YOUNG. Yes, the bill provides that it shall apply to all permanent employees compensated upon a per-annum basis and occupying positions within the scope of the compensation schedules fixed by the Classification Act.

That language, "The scope of the compensation schedules," is carefully drawn to include those positions in the Federal service that are by administrative allocation placed within the Classification Act compensation schedules, so that the bill applies to the field and the departmental service.

It does not touch the Postal Service, the immigration inspectors or the customs clerks or any other groups that are subject to existing statutory promotion systems, nor does it touch employees whose wages are fixed by wage-board arrangements such as in navy yards.

Reverting to the subject of cost, based upon the coverage at the time that our study was presented, namely, 304,000 employees, our estimates indicated that the operation of the plan would provide in the first year approximately 159,000 advancements which would result in a net increase in the annual pay roll of about \$7,500,000.

The fact that those would not all occur at the first of the year, that is, some would be in the first quarter, some the second, third, and fourth, would reduce the actual estimated net cash requirements in the first year of operation of the plan to about five and one-third million.

I emphasize again that these are bench mark figures related to the 304,000 coverage.

The heaviest cost of the plan obviously occurs in the first 2 years because of the accumulated backlog of eligibility for advancement under the terms of the plan. The curve of increased costs sharply falls off after the first 2 years. What happens, in the operation of a plan of this sort, is that over the period of a few years time, the average of salaries paid to employees within each classification grade is very slowly but very gradually raised.

At the present time the average of salaries paid employees in the Classification Act grade is about one step above the entrance rate to the grade.

That is to say in a grade such as CAF-2, which begins at \$1,440, the average of all employees in that grade—

Senator BYRD (interposing). About five million the first year.

Mr. YOUNG. About five million the first year.

Senator BYRD. How much the second year?

Mr. YOUNG. A net pay-roll increase of \$6,400,000, but with a cash requirement of \$3,400,000.

Then, over a period of 10 years the net cumulative annual increase in the pay roll amounts to about \$29,000,000.

Senator BYRD. \$29,000,000 in 10 years?

Mr. YOUNG. Yes; or an average of \$2,900,000 per year over the 10-year period. Now, the effect of—

Senator BYRD (interposing). But some of these increases would be made anyway, wouldn't they, or not?

Mr. YOUNG. Yes.

Senator BYRD. Assuming this bill wasn't passed, wouldn't there be some increases made?

Mr. YOUNG. That is right.

Senator BYRD. What do you estimate the cost of this method as compared to the present method? How much additional cost?

Mr. YOUNG. We are quite firmly convinced, Senator, that the cost of a regular plan of this type will, over several years operation, be somewhat less than the present, may I say, "haphazard" method.

It must be admitted frankly that the first year, or perhaps 2 years, of operation may cost slightly more than Congress appropriated for this purpose during recent fiscal years.

In the fiscal year 1941 the limitation has permitted the use of lapse money only for salary-advancement purposes. Over a period of time we are very firmly convinced that this type of arrangement will promote economy and will cost less than the arrangements that have prevailed during the past several years.

Senator BYRD. How are these same increases handled now?

Mr. YOUNG. May I distinguish between the present fiscal year and the situation up to the present fiscal year?

During the present year the appropriations acts carried a specific limitation to the effect that the maximum amount which could be expended from any appropriation unit for within-grade salary advancements should be within an amount determined by the Director of the Budget to be available for that purpose. The Director of the Budget was instructed by the terms of the act to find available only that amount which was included in the Budget estimates for the current fiscal year to be available from savings.

There was no new money appropriated for this purpose during the current fiscal year.

Furthermore, the committee expressed in its report the desire that the heads of departments and agencies in making within grade promotions limit them to those employees below \$3,200 who had no increase for 3 years, and above \$3,200 to those who had had no increase for 5 years.

Prior to that limitation, which has controlled the administration of salary advancements this year, salary advancements within the grade were handled under section 7 of the Classification Act and under the limitation contained in appropriation bills commonly known as the average clause.

Section 7 provides that within the limits of available funds, employees who maintain a satisfactory efficiency rating shall be advanced the next higher step within the grade.

There is no limitation for more than one step advancement. There is no direction in that section as to precisely how it is to be handled.

Senator BYRD. This is governed first by the efficiency ratings and then by the length of service?

Mr. YOUNG. That is right.

Senator BYRD. I don't want to interrupt your general argument, but if you could take one salary, for instance—what is it? \$1,440? Is that it?

Mr. YOUNG. Yes.

Senator BYRD. Now, give me, over a period of years, assuming that they passed the efficiency ratings, what will be the increase in that?

Mr. YOUNG. Taking the \$1,440 grade which is CAF-2, it would take a period of 9 years to progress from the minimum to the maximum of that grade, at these levels, \$1,440, \$1,500, \$1,560, \$1,620, \$1,680, \$1,740, and \$1,800.

Senator BYRD. \$1,800 in 9 years?

Mr. YOUNG. \$1,800 in 9 years; that is, under the present Classification Act, the maximum salary for that rate.

Senator BYRD. That would be mandatory providing that they attain the efficiency ratings? There would be no discretion, in other words, vested in the head of the Department?

Mr. YOUNG. There is an important discretionary provision in the bill which provides that the employee must have a satisfactory efficiency rating.

Following the present system it provides that in order to attain advancement up to the middle rate of the grade, the employee shall have an efficiency rating of good or better than good.

That is to say, under the parlance of the present efficiency rating system, a rating of excellent, very good, or good.

For advancement above the midpoint of the grade, the bill provides that the employee must have an efficiency rating better than good, or, in other words, excellent or very good.

That means, then, that the advancements above the middle of the grade are reserved to those employees who have demonstrated, and who are recorded in efficiency ratings as having above average competence.

The point of administrative discretion to which you had reference is also included in another provision—subparagraph (4) of section 2. It is on page 2, line 19.

Provided, That the service and conduct of such employee are certified by the head of the department or agency or such official as he may designate as being otherwise satisfactory.

The thought of those of us who had a part in the drafting of this plan was that we wanted to insure that a responsible official in each department or agency did review the proposed advancements, and that it was a responsible administrative action.

Senator BYRD. Section 4?

Mr. YOUNG. Subparagraph (4) of section 2 (b).

Then there is the other provision for administrative discretion that I referred to earlier—discretion in meritorious cases for granting one additional step increase.

Senator BYRD. Do you think this would prevent favoritism within the departments? There has been some complaint of that, I believe.

Mr. YOUNG. Yes. We think the plan would provide a uniform framework for the administration of the whole program of salary advancements within grades.

Senator MEAD. Senator, if I may interrupt, here is a chart which illustrates the lack of uniformity and the favoritism. In the percentage column of this chart is shown the percentage of employees who have been advanced in the various departments during that year. It runs all the way from 15 up to 90 percent, showing how haphazard it is being done now under present law. That runs over on the other pages, too, Senator. There are three or four pages on that chart.

Senator AIKEN. It may be partly due to favoritism and partly due to the amount of the appropriation.

Senator MEAD. Yes.

Mr. YOUNG. That is very true. A conspicuous difference exists between those agencies which have large lump-sum appropriations, and those which have limitations on expenditures within the District of Columbia.

Senator AIKEN. I know, in State governments, some departments are far more persuasive than others are, and those that get the appropriations increase the salaries and those that don't keep them where they are; they have to.

Mr. YOUNG. I think we must admit that the present situation of inequities and inconsistencies in this matter arises first out of varying approaches to the subject on the part of the administrative heads of the departments; second, on varying approaches employed within the Bureau of the Budget in the past.

I can't say that the Budget Bureau has been wholly consistent in dealing with the requests of various departments and agencies for money for salary increases.

Third, the appropriation subcommittees have not always been consistent in the way they have handled the various proposals.

Fourth, you have pointed out the differences between the types of appropriations.

Senator BYRD. The Budget Bureau now approves these increases before they can be effected?

Mr. YOUNG. No. Not in individual cases, Senator. The restriction this year is merely upon the maximum amount which any agency may be permitted to spend for this purpose.

Senator BYRD. Of course, in the Post Office Department that is fixed by law?

Mr. YOUNG. Yes. An automatic increase fixed by law, Senator.

Senator BYRD. Then, to continue, in this \$1,440 grade, the maximum is \$1,800, and, if they stayed longer in that classification, of course, they couldn't get over \$1,800? In order to get an increase above \$1,800 they would have to be promoted to another classification?

Mr. YOUNG. That is right. Which, to our way of thinking, is perfectly fair, for these reasons:

The Classification Act envisages, for grade or type of work a salary range, and on the principle of equal pay for equal work, it is recognized that, over a period of time, the employee may become more valuable to the Government.

Senator BYRD. But there should be a maximum?

Mr. YOUNG. But there should be a maximum to the pay for a particular level of work, and the employee who reaches that maximum must, of necessity, in our judgment, continue as at present under the Classification Act, to look for his advancement through promotion to a higher grade of work.

Senator BYRD. And the same general plan applies to other classifications?

Mr. YOUNG. That is right. May I point out that the time schedule is such that the time for advancement from the minimum to the maximum of the grade in the lower salary levels is 9 years, and is 10 years in the upper salary levels.

Senator BYRD. How quickly do these increases come? Let's take \$1,440. When do they get the first increase?

Mr. YOUNG. After a service of 18 months.

Senator BYRD. 18 months?

Mr. YOUNG. Without any equivalent increase in salary.

Senator MEAD. Providing their efficiency rating——

Mr. YOUNG (interposing). Providing their efficiency rating——

Senator MEAD (continuing). Is as good——

Mr. YOUNG (interposing and continuing). Is good or better.

Senator MEAD (continuing). Or better.

Mr. YOUNG. Yes, sir.

Senator BYRD. How much do they get?

Mr. YOUNG. \$60.

Senator BYRD. And the next?

Mr. YOUNG. And after another 18 months——

Senator BYRD (interposing). Every 18 months?

Mr. YOUNG. Every 18 months they are entitled to another \$60.

Senator AIKEN. That promotion is commonly made on that basis now every 18 months, or do some departments make them every 12 months?

Mr. YOUNG. I don't know that one can say what is commonly done, because it varies so greatly.

Senator MEAD. Take, for instance, the Federal Security Agency here, on this table of percentages.

They have 6,800 employees and they promoted and raised the pay of 5,913 of them, a percentage of 86.9 in 1 year, while, in another agency, the State Department, they had 959 employees and they raised the wages of 495, a percentage of 51.6.

That isn't a very equitable arrangement, and it seems to be far more unjust when you take the Labor Department, with 1,700 employees, raising the pay of only 297, with a low percentage of 17.

Mr. YOUNG. We know of agencies where increases have been made in as short a time as 6 months' service. We know of other instances where employees have been more than 5 years without any increase.

Senator BYRD. Your total cost, in 10 years, you estimate to be \$29,000,000, based on 302,000 employees?

Mr. YOUNG. Three hundred and four thousand, representing an annual pay roll of approximately \$600,000,000.

Senator BYRD. There would be an increase of how much? This was what date?

Mr. YOUNG. July 1, 1939.

Now, we do not have figures as of the end of the current fiscal year, to indicate what the exact coverage is.

Senator BYRD. It would be considerable?

Mr. YOUNG. Based upon the known expansion in the Government service, it may be—the coverage may be between five hundred and six hundred thousand.

Senator BYRD. Maybe nearly twice as much?

Mr. YOUNG. That is right.

Senator BYRD. It certainly will be.

Mr. YOUNG. Of course, the increase will be proportionate to the total pay roll.

Senator BYRD. Yes.

Mr. YOUNG. Mr. Chairman, may I be permitted to comment on Mr. Ramspeck's suggestion?

Senator MEAD. Surely.

Mr. YOUNG. That is a point that has not been discussed with the Director of the Bureau of the Budget, in the specific form in which it has been proposed.

Still, we have, on numerous occasions, realized that under the Classification Act, there is a very unfortunate gap existing between the salary levels for the \$6,500 positions and the \$8,000 positions.

Under the present statute the \$8,000 level is the highest grade to which the Civil Service Commission can allocate a position.

In the organizational structure of any governmental agency, that means, then, that your highest positions in a large agency are likely to fall into this \$8,000 level.

Your next highest level of authority will fall at the \$6,500 level.

It progresses on down from that to the lower levels. Now, the gap between the \$6,500 level and the \$8,000 level is, from an organizational standpoint, an unfortunate gap, and I think the suggestion that Congressman Ramspeck has made is a very useful suggestion for helping to bridge that gap.

Senator BYRD. Give me the increases in the higher classification.

Take one at \$5,000. Have you got any?

Mr. YOUNG. If you take the situation existing in the salary grade beginning at \$4,600, CAF-12, it will progress at intervals of 30 months, \$200 at a step—\$4,600, \$4,800, \$5,000, \$5,200, \$5,400.

Senator BYRD. \$5,400 is the maximum.

Mr. YOUNG. \$5,400 is the maximum of that grade, and that maximum will be attained over a period of 10 years.

Senator BYRD. That is approximately the same ratio?

Mr. YOUNG. The Classification Act provides seven salary steps in the lower grades, and five in the intermediate, and, as at present drawn, it provides only three in the highest grades.

This bill proposes to increase those three steps to five by reducing the increment from \$500 to \$250.

Now, the amount of the increase in each grade bears a relatively constant ratio to the base salary of the grade, and it seemed to us only fair that there should be approximately the same lapse of time for attainment of the maximum rate in the grade for employees in the high salary brackets, and for those in the low salary brackets. This plan does provide for approximate equity in the period of time covered.

Senator BYRD. The Civil Service Commission approved it?

Senator MEAD. I believe so. Wasn't that the testimony?

Mr. RAMSPECK. Yes, the Commission approved the bill.

Mr. YOUNG. In a letter of March 7 to the chairman of the committee, the Civil Service Commission approved it.

Senator MEAD. Any other questions?

Senator BYRD. It is a very clear explanation, evidently.

Senator MEAD. Thank you, Mr. Young.

Mr. YOUNG. Thank you, Senator.

Senator MEAD. Next witness.

STATEMENT OF ISMAR BARUCH, CHIEF, PERSONNEL CLASSIFICATION DIVISION, UNITED STATES CIVIL SERVICE COMMISSION

Mr. BARUCH. I am Ismar Baruch, the chief of the Personnel Classification Division of the United States Civil Service Commission. Mr. Mitchell, who is out of town, asked me to appear and express the viewpoint of the Commission on H. R. 1073.

As we stated before the House Civil Service Committee, the Commission favors the plan of salary advancement within grade, proposed by the Bureau of the Budget. Our interests in this connection lie

not so much in any direct responsibility for the administration of all the terms of this bill if it should become law, as in the fact that we administer certain parts of the personnel and salary system that have a direct bearing on this bill and on which the bill itself is, as a matter of fact, based.

In the first place, of course, quite generally, we are interested in any legislation which improves the orderliness of personnel administration or salary administration and which would tend to increase the effectiveness or morale of Government employees. More specifically, however, we are interested in any definite salary advancement plan within grade, first, because we administer the Classification Act of 1923, which establishes the grades and which carries the statutory salaries that have been cited here in previous testimony at the table; and, second, because we are responsible for the development and improvement of the efficiency-rating system, or the service-rating system, which gives rise to one of the important factors governing eligibility for salary advancement within grade under this bill.

First, as to the Classification Act. As you know, that was a bill passed on March 4, 1923, after a study made by a joint committee of the House and the Senate, which was created to investigate and study the confused conditions of salary administration which existed at that time, and to propose a definite plan for the future.

A report was issued on March 12, 1920, the committee having been created in 1919, and after a couple of years of consideration, the Classification Act of 1923 was passed. The effect of that act is to set up an administrative system whereby all positions within the scope of the Classification Act are analyzed and evaluated on an impartial and objective basis by the Civil Service Commission, irrespective of any peculiar characteristics or idiosyncrasies or affiliations of the employees who happen to be occupying the positions at the moment.

In other words, it is intended to provide for an objective impartial job analysis rather than an analysis of the person, who, of course, may differ from time to time on the same job.

As that analysis is made, it is the central duty of the Commission to allocate, as we say, or place each individual position in one of these grades specified by the law in the Classification Act, on the basis of the difficulty of work, the responsibility attached to the position, any complexities of operation, the kind of supervision given to the job, and any kind of supervisory responsibility that may be in the job.

After the Commission allocates or places an individual position in one of these grades, then by the statute itself the salary range attached to that grade takes effect automatically. In other words, if we analyze a stenographer's job in the service and find out that it is composed of ordinary routine stenographic work, it is placed by the Commission in this salary range that we spoke of here a moment ago, of from \$1,440 to \$1,800.

Now, legally, that means that no less than \$1,440 may be paid to the employee so long as he is occupying that position. That is an absolute minimum. Also, the law provides—except under very exceptional circumstances, where the Commission goes in on its own motion and changes the classification of a position which itself has not changed, that no more than the maximum rate, \$1,800, shall be paid.

Now, you see, the salary range, therefore, composed, let us say, of seven rates, which is the usual situation in the lower grades, is uniformly controlled by the statute as to the minimum rate, is uniformly controlled by the statute as to the maximum rate, but the different rates in between have never been uniformly controlled.

The original Classification Act stated that salary increases within the grade, namely, movement from salary rate to salary rate, shall be allowed upon attainment of the appropriate efficiency rating providing there was money for the purpose, but that hasn't worked out systematically. In fact the provision was interpreted very early not to have a mandatory significance but to have a discretionary or permissive significance, in two decisions by the Comptroller General (vol. 6, p. 355, and vol. 7, p. 721).

Also, about a year or so after the act took effect, the "average provision" made its appearance, and that average provision is—has been—in appropriation acts ever since, saying, in effect, that so long as the salaries of the employees in a given grade, in a given appropriation unit, exceeded the mathematical average of these rates, like \$1,620, in the \$1,440 to \$1,800 category, then no one in that grade and appropriation unit could receive a salary increase, no matter how efficient he was.

That was a control over administrative discretion, and was intended to be so, except that like most controls of statistical type, it didn't work out equitably or uniformly; so that, after all, the utilization of these rates between the minimum and the maximum turned out to be a discretionary matter with the heads of the departments operating under certain controls. Within-grade salary advancements varied in their application between large and small units, and were governed also by the amount of appropriations available or not available, and by certain administrative or other considerations having to do with what kinds of operations, or to what people money should be allotted if a certain amount was available, but not sufficient to reward everybody who deserved a salary increase.

That indicates the necessity for a bill like H. R. 1073. It does not raise salary ranges, with the possible exception of the amendment I would like to discuss in a moment, Mr. Ramspeck's suggestion. It leaves the levels of pay as they are, but it does provide a system whereby these intermediate rates can be utilized systematically for the first time upon a uniform set of factors which all departments will have to take into consideration.

As to the service rating system, section 9 of the Classification Act itself provided that the Civil Service Commission was authorized to study the service rating system then in existence and to revise it and promulgate regulations to carry into effect, which the Commission did a few years ago.

It developed the present service-rating system. Under that system all employees occupying positions subject to the Classification Act, are rated annually on their performance on a form prescribed by the Civil Service Commission, and the regulations appearing in H. R. 1073 governing the effect of the efficiency ratings on salary advancements are about the same as those which now appear in the Civil Service Commission's regulations.

Admittedly the administration of the efficiency rating system is a rather important point in the administration of any salary advance-

ment plan such as this, and I think we realize our responsibilities in that connection. We are sort of glad of the fact that a bill is being considered which would lead to action upon efficiency ratings which would be favorable to individual employees rather than unfavorable.

In the past, a good bit of the direct connection which the Commission has had with the administration of the service-rating system has involved the utilization of the service rating system for unpleasant purposes. For example, separation on account of reduction in force, a procedure based on an Executive order utilizing the service-rating system; or dismissals for inefficiency, or reduction in pay for unsatisfactory service, or nearly unsatisfactory service.

Well, of course, any administrative tool that is used for unfavorable purposes such as those is bound to be criticized and is bound to have its weaknesses in fact. Where you have the same administrative tool, namely, the service-rating system, which is used for—let us say—pleasant purposes, namely, salary increases, I believe that much more interest will be shown in improved administration of the service rating system, and supervisors in general will realize their responsibilities more than they perhaps realize them today.

The gist of the service rating problem, of course, does not lie in the adoption of a particular form, but lies in the use of the system and its application by administrative and supervisory officials, and their prior training in the proper analysis of employee performance.

The Commission favors this bill because it believes it to be a necessary supplement or complement to the Classification Act of 1923. The Classification Act sets the salary ranges for the positions within its scope and the action of the Civil Service Commission determines which one of those ranges is applicable to each individual position. This bill comes along as a supplement, then, and says under what circumstances and at what times and subject to what conditions the employee shall receive a specific rate from time to time within this range.

The action of the Commission sets the range. Action under this bill—if it should become law—will set the rate within the range. The Classification Act, of course, is based on the fundamental principle, as expressed in the act itself, that there shall be equal pay for equal work, irrespective of sex. It has gone so far in its administration only as to develop or assure equal ranges of pay for equal work, equal salary scales for equal work.

This bill, if it should become law, will come closer to that ideal principle as expressed in the Classification Act itself: Namely, an equal rate of pay, for work of equal difficulty and responsibility performed with equal efficiency.

Now, if I may, I would like to come to the suggestion made by Mr. Ramspeck that there be added to the range of pay for grade 14 of the clerical, administrative, and fiscal service, and to the range of pay for grade 7 of the professional and scientific service, given at the bottom of page 4, lines 18 and 19, and 23 and 24, an additional rate of \$7,750.

The reason for the suggestion, as we interpret it, is that the gap or the spread between the maximum rate of grade 14 in the clerical, administrative, and fiscal service, or grade 7 in the professional scientific service, and the minimum rate of the next higher grade, is relatively large compared to the gaps between the other grades next below.

To illustrate, in the \$3,800 to \$4,600 category, compared with the \$4,600 to \$5,400 salary scale which is next up, let's say grade 4 and grade 5 in the professional and scientific service, the maximum of the fourth grade is exactly the same as the minimum of the fifth grade, in other words, there is no gap. If we go on to the next higher grade we find that the maximum of the fifth grade is \$200 only below the minimum of the next higher grade.

And, going up still further, we find that the maximum of the \$5,600 to \$6,400 grade, the sixth grade in the professional and scientific service, is only \$100 below the minimum in the next higher one, or P-7. When you come to the difference between the seventh and eighth grades, we find that we have a gap of \$500 between the maximum of the lower one and the minimum of the upper one, which is an unusual feature.

Senator BYRD. Will this increase the maximums?

Mr. BARUCH. It will increase the maximums in these two grades.

Senator BYRD. As the bill is already written?

Mr. BARUCH. Yes, sir; as the bill is already written, and as the Classification Act is already on the books. It increases the maximum rate of pay in those two particular grades, but no others.

Senator BYRD. What grades are those? Are you reading from the suggested amendment or the—

Mr. BARUCH (interposing). That is the present maximum, \$7,500, but my understanding is it will add another rate—\$7,750. The bill as now drawn is in conformity with existing scales of pay under the Classification Act.

Senator BYRD. Then the suggestion by Mr. Ramspeck makes what increases in the maximum?

Mr. BARUCH. \$250 in each case.

Senator BYRD. \$250 in 14 and 15?

Mr. BARUCH. Fourteen, and grade 7 in the professional and scientific service.

Senator BYRD. Why is that, because of the difference between the next grade not being enough—

Mr. BARUCH (interposing). Because in the schedules as now drawn, in lines 18 to 22, the difference between the maximum of grade 14 and the minimum of grade 15 is \$500, namely, the difference between \$7,500 and \$8,000, and that is an unusual gap when compared with the differences between the maximums and minimums of the grades next below. That has been suggested—

Senator BYRD (interposing). That is more of a determining factor than the value of the services they render in those particular grades.

Mr. BARUCH. No, sir. That is a mechanical consideration.

Senator BYRD. I don't see where that should prevail, especially. The question is, "Are they being paid too much or too little for the services they render?" It seems to me there is too much difference between that and other grades, isn't there?

Mr. BARUCH. I appreciate that, but I think there is an element here in the way these schedules are constructed. I doubt very much whether there is a sufficient difference in the responsibilities of positions placed in CAF-15, for example, and those placed in CAF-14, to warrant that \$500 gap. We haven't given any official thought to that, of course, over in the Civil Service Commission.

Senator BYRD. That is a minor question compared to the rest of it.

Mr. BARUCH. That is correct, sir. My only point is if that is given favorable consideration I suggest also that an amendment is required in paragraph (d) at the top of page 3, because if an additional rate is added to either grade CAF-14 or grade P-7, that will make the grades a six-rate range, and the act elsewhere refers to the middle rate of the range.

Senator BYRD. Since 1923, when the Classification Act was first adopted, how many increases have been made in the maximum?

Mr. BARUCH. Taking the maximum of the whole schedule itself, the original maximum, I believe, was \$7,500 when the Classification Act was passed March 4, 1923, and that maximum was raised to \$9,000 in the Welch Act of May 28, 1928, so there has been a raise of \$1,500 since 1923 in the ceiling under the Classification Act.

Mr. RAMSPECK. Will you let me give you one reason for that suggestion that was given to me by an official of the Government, and that was this: There is a constant struggle on the part of employees to get their jobs reclassified when they reach the top of the grade, so they could get more money, and it was suggested so to me, that if we had that additional step of \$250 it would obviate a lot of these struggles for reclassification; in other words, trying to get into grade 8 from 7, and a \$500 jump. They would be satisfied with \$250.

We might save a little money.

Mr. BARUCH. It might possibly be only a temporary situation, however.

Senator BYRD. I think they would want to get in a higher grade because it pays them much more than that.

Mr. BARUCH. The point I was going to make was that since this would be a six-rate range under those circumstances, and the act refers to the middle rate of the range in each case, we ought to say at the top of page 3, "For the purposes of this section, the fourth salary rate of grades 2 and 3 of the custodial service, grade 14 of the clerical, administrative, and fiscal service, and grade 7 of the professional and scientific service shall be considered the middle rate," because there isn't any middle rate in a six-rate range.

Mr. YOUNG. May I be permitted just a word, Mr. Chairman, on the same subject?

Senator MEAD. Yes, sir.

Mr. YOUNG. I have already expressed my personal approval of Mr. Ramspeck's suggestion, and I feel that his idea is a very constructive approach to the Classification Act schedules, and also meets a definitely felt need. The Bureau of the Budget, in submitting its recommendations, desired to draw a distinction between a plan for regulating salary advancements within grades and any proposals for raising salary levels, and, of course, as the plan was proposed and is embodied in the bill now before the committee, no changes are made in the minimum or maximum limits of any of the grades. I simply wanted to draw that distinction.

Senator MEAD. Senator, here is a copy of the Classification Pay Schedule [handing].

Are there any more questions? If not, we will excuse you with the appreciation of the committee for your coming here.

Now I would like to have the employees, unless there is someone else representing a Government agency here. I don't see them. We want everybody given an opportunity to be heard, but as the Senate is in session we would like to eliminate all duplications, if possible.

I will call upon Mr. Luther Steward to set a good example for those that will follow him.

Mr. STEWARD. Luther C. Steward, president National Association of Federal Employees.

Mr. Chairman, Senators, we view the bill before you, H. R. 1073, as an excellent start in establishing systematic promotion. The Classification Act of 1923 admittedly failed in its purpose in that, although Congress attempted legislative control over an administrative matter, the so-called average provision has not worked out equitably, and the result, as has already been indicated, has meant an excessive number of increases in some agencies and an almost complete stagnation in others.

We feel that this will not only be economical from the standpoint of an expenditure of funds, but it will also afford an incentive to efficient work which has, in so many instances, been entirely lacking under the haphazard arrangement which has been going on since the passage of the original Classification Act.

We are heartily in favor of the proposed legislation and urge that it be reported without substantial amendments in order that it may continue to receive not only the approval of the Bureau of the Budget but also the approval of the leaders of Congress and the appropriating bodies who have, generally speaking, already given thorough approval to the plan as before you.

Senator MEAD. Thank you very much, Mr. Steward.

Colonel Stengle, have you any comment to make on the bill?

Colonel STENGLE. Very few.

Senator MEAD. We will be glad to hear from you.

STATEMENT OF COL. CHARLES I. STENGLE, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

Colonel STENGLE. The name is Charles I. Stengle, representing the American Federation of Government Employees, which body is affiliated with the American Federation of Labor.

Mr. Chairman, we are facing today a marvelous situation in this committee room. In a discordant world, with our minds upset, we have before you a piece of legislation that has the most unanimous support that I have ever known in my 18 years on Capitol Hill.

We have a bill that has the support of the Bureau of the Budget. In fact, the thing was born there. We have the support of the Civil Service Commission. We have the unanimous support of the House Committee on the Civil Service. We have the unanimous support of the House of Representatives on this bill. We have the almost unanimous support of all the Government employee organizations. Surely it is a marvelous situation, and the first that I have ever known in my experience with civil-service activities. We only lack one cog to make this thing secure, and that is the unanimous support of this committee, and the unanimous vote of the Senate.

I assure you that this being born where it was, and under the circumstances which brought about its birth, that I am sure that we will have the unanimous approval of the President of the United States.

Now, why this marvelous situation? It is because it is a long-felt want being satisfied. Some people get frightened when they say

over a period of 10 years it cost \$29,000,000. Twenty-nine million dollars in 10 years' expenditures used to be a marvelous sum, but no longer. It is now pin money.

You are passing a bill in the Senate today of about \$10,000,000,000.

Senator BYRD. It is already passed.

Colonel STENGLE. And I doubt not that it was done by unanimous vote. So when we come to face this picture, why should we argue? Why should we undertake to dissect the baby? Surely its birth and its present growth denotes one thing at least: That it is in the right direction, and that it is going to be according to democracy, because there is unity in the purpose, and I want to say to my friend Senator Byrd, who is the Senator from my native State, that there are thousands of people living in your State that will be greatly benefited that are now not being benefited, because of the haphazard system which has been going on in our service.

Senator Mead just held up a chart showing the variations in promotions. We who are actively engaged in civil-service work come in daily contact with complaints because of favoritism, and conditions which don't produce morale that is worthy of its name. It doesn't produce efficiency. It doesn't produce economy.

Before you came in, Senator, Byrd, Congressman Ramspeck put in this record that in one year recently there was voted \$7,000,000 for promotions, and yet, when you look at that schedule you will find that it wasn't spread out but rather given in specific instances, so, without going any further, I want—in behalf of our organization, with the approval of the American Federation of Labor behind this—to ask you to report this bill favorably and hasten its enactment into law.

Senator MEAD. Thank you very much, Colonel.

We have the representatives of the other employee group over there and we would like to hear from them, too.

STATEMENT OF MISS ELEANOR NELSON, UNITED FEDERAL WORKERS OF AMERICA

Miss NELSON. My name is Eleanor Nelson, United Federal Workers of America, affiliated with the C. I. O.

Our organization reflects the sentiment to which Congressman Ramspeck referred when he said there had been strong feeling for an automatic increase plan. I have here a statement which I want to leave with the committee, pointing out the reasons why we believe the bill introduced by Senator Downey, S. 1432, is a much better plan than the plan you have before you. I will leave that with the committee members and request that you go over it carefully. I am making my remarks brief, because of the request of the chairman of the committee.

We feel there are two features in the bill you are considering, S. 1634, which should be removed—subdivisions 3 and 4, section 2. One limits the raises of an employee getting an efficiency rating of good to the middle of his grade; the other allows supervisors to stop pay raises regardless of the efficiency ratings of the employees. Even if they are excellent, the supervisor can stop raises.

We believe these features make toward favoritism. We feel there is favoritism in the present efficiency rating system, and the most favoritism comes in distinguishing between the goods and the very goods.

Mr. Baruch remarked, "we all want to approve the efficiency system," and that is pretty unanimous sentiment among Federal workers. The lines drawn between employees on efficiency ratings are hairline distinctions, and we don't feel that the many thousands who get good should be held back. We would like to have the committee seriously consider withdrawing those two sections from the bill.

Senator BYRD. What sections are those?

Miss NELSON. Subdivision 3 and 4 of section 2. We feel there are many thousands of employees with efficiency ratings of good who should be allowed full promotional opportunity. These are worthy employees who come on the job expecting to be raised to the top of their grade eventually, and we see no reason for holding them back with the present—in our opinion, not perfect—efficiency rating system.

Senator MEAD. Your suggestions are embodied in S. 1432 introduced by Senator Downey.

Miss NELSON. We prefer Senator Downey's bill. If, however, you act on your own bill, Senator Mead, we request that you remove those two sections.

Senator MEAD. Could you advise the committee as to the attitude—or perhaps you don't know, I am sure we don't—of the Bureau of the Budget and the Civil Service Commission, providing—

Miss NELSON. Congressman Ramspeck can advise you of their attitude.

Mr. RAMSPECK. They were opposed to the provisions of Senator Downey's bill, and Congressman Randolph's bill. They provided automatic, mandatory salary raises.

Senator MEAD. It is your opinion that the Bureau of the Budget, and possibly the Civil Service Commission, might object?

Mr. RAMSPECK. Yes.

Miss NELSON. Senator Downey's bill is based upon the principle now embodied in the pay system for the post-office workers, an automatic plan, yearly.

Senator MEAD. Yes; I see.

Miss NELSON. We feel it is much better. Obviously it would cost some more money. We feel that money is justified in terms of improved morale. It is true that one specific section in your own bill we have asked you to remove, that is, allowing the employees who are good to move to the top of their grade might cost more money, since there are many thousands getting these so-called good ratings. To avoid injustice, however, to these employees, most of whom are just as efficient as those rated very good, the section should be removed.

Senator MEAD. We will be very glad to ask the full committee to consider your proposal as well as the legislation contained in the bill introduced by Senator Downey.

Miss NELSON. There is one other thing I want to say. Throughout the discussion of these bills we have held a series of meetings throughout the country with literally hundreds of thousands of Federal employees attending these meetings, and it has been the unanimous sentiment at every meeting that I know anything about that Senator Downey's bill is the bill Government workers want, and that the two sections I refer to are unjust sections in the present bill.

It is because of this very strong feeling that I appear before you today and in spite of your haste, urge your consideration very strongly on those two amendments.

Senator MEAD. Would you have any objection to a delay in the passage of the bill?

Miss NELSON. The United Federal Workers would have serious objection to delay in providing a pay raise plan for Federal workers. We say any raises are better than none. We say a better plan than the bill now proposed is a bill with those two sections out. We say a much better plan is Senator Downey's bill.

Senator MEAD. What we are trying to do is expedite the passage of the bill.

Miss NELSON. I understand that, Senator.

(Prepared statement presented by Miss Nelson to be incorporated in the record is as follows:)

PRESENTATION TO THE SENATE CIVIL SERVICE COMMITTEE ON PAY RAISE LEGISLATION BY THE UNITED FEDERAL WORKERS OF AMERICA, CONGRESS OF INDUSTRIAL ORGANIZATIONS, JUNE 27, 1941

The United Federal Workers of America is a union of government workers chartered in June 1937 by the Congress of Industrial Organizations. We have in our membership 26,000 Government workers in almost every department in Washington and scattered throughout the whole United States.

Since we were chartered we have been very much interested in the establishment of a pay-raise system and, during the last 3 years, have been appearing before representatives of the Bureau of the Budget and before congressional committees asking that a uniform and fair pay-raise plan be effected for the Government service.

It is our understanding that this meeting of the Senate Civil Service Committee was called primarily to discuss H. R. 1073, passed by the House of Representatives and now introduced into the Senate by Senator Mead as S. 1634.

We wish to make a matter of record the disappointment of our organization that plans for handling the pay-raise problem as developed by the administration, including the Bureau of the Budget and the House and Senate Appropriations Committees, limit discussion to this bill. There have even been strong indications made to us that if any amendments or changes were proposed, no action would be taken on the pay-raise problem—this in spite of the fact that the House Appropriations Committee, in reporting the second deficiency appropriation, recommended no action and no money for pay raises for Government workers pending action by the Senate on a uniform pay-raise plan.

We deeply regret this attitude because, while H. R. 1073 by providing a uniform plan for at least some pay raises, improves to some extent the present situation, it is not by and large a bill to which Federal workers can give their wholehearted support.

Our organization believes that S. 1432, introduced by Sheridan Downey, of California, provides for a much fairer and more efficient pay-raise plan. This is the unanimous opinion of our 26,000 members and the many additional thousands of Government workers who have attended mass meetings held throughout the country on pending pay-raise legislation. We believe that it was enthusiasm of Government workers behind this bill, introduced into the House of Representatives as H. R. 625 which led to the successful enactment of H. R. 1073.

The provisions of S. 1432 are fair and easy to administer. In brief, this bill provides for annual salary increases for each employee until he reaches the top of his grade. In addition, employees would be compensated for long years of service, the exact language of the bill being: "Every employee who shall have completed five years of service at the highest rate of pay prescribed for the grade in which his position is allocated shall automatically be entitled to and shall receive an increment of \$120 per annum in addition to such rate, and shall be entitled to and shall receive an additional increment of \$120 per annum upon the completion of each successive five years of service thereafter."

The bill further makes provision for unsatisfactory services by allowing the withholding of pay raises to not more than 10 percent of the employees of an agency.

By providing for automatic annual increases, S. 1432 simply carries into effect the intent and purpose of the Classification Act itself. The United Federal Workers believes that an understanding of this act is essential to the comprehension of the justness of Government workers' requests for automatic pay raises. Under the Classification Act provision was made for five main divisions of work which are divided into grades and within a grade there are salary ranges. The theory behind the act was that a Federal employee would begin work at a fairly low wage but that with efficient service he would move up to a fairly high one. This system differs from that generally accepted in private industry. In private industry, if a union negotiates a wage scale, there is a flat wage rate for each occupation. A worker goes on the job at that rate. In the Government, however, the employee goes on the job at a low wage expecting, under the provisions of the Classification Act, to move upward after a demonstration of efficiency and good conduct.

Congress, however, has failed to appropriate money necessary to carry out the provisions of the Classification Act. Findings of the Bureau of the Budget have clearly demonstrated that the majority of Government workers never receive pay increases beyond the middle of their grade and that thousands never receive wage increases beyond the entrance rate. The result has been that the wages of Government workers have been depressed below the standards set by the Classification Act. S. 1432 would correct this unjust situation and provide automatically fair and uniform treatment of Federal employees. The gains in establishing real employee morale make the cost of the bill not exorbitant.

In comparison with S. 1432, S. 1634 introduced by Senator Mead provides for pay raises on an 18-month and 30-month basis rather than a yearly basis. There are two sections of the bill, moreover, which the United Federal Workers believes should be removed because they must inevitably result in unfairness.

Subdivision 3 of section 2 provides that an employee whose rate of compensation is at or above the middle rate of the grade shall not be advanced until his current efficiency rating is better than "good." Every Member of Congress is familiar with the dissatisfaction of Government workers with the present efficiency rating system. The United Federal Workers maintains that the efficiency rating system is open to favoritism and that the worst place that favoritism comes in is in distinguishing between "good" and "very good" employees.

There are five efficiency ratings, any one of which an employee may receive namely, "excellent," "very good," "good," "fair," "unsatisfactory." The only employees who have received raises in the past are those with ratings of "excellent" and "very good." In actual fact there is practically no distinction between the "very good" and "good" employees, except that the thousands of Government workers kept in the classification of "good" go on and on, without raises, although their work is identical with and performed in the same efficient manner as that of those who are rated "very good." The United Federal Workers does not believe that pay raises should be based on hair-line distinctions open to the manipulations of favoritism. For this reason we believe that the "good" employees should be allowed to move to the top of their grades along with the "very good" and "excellent" employees. We therefore strongly urge that subdivision 3 of section 2 be removed from S. 1634 if your committee decides to act favorably upon this bill.

The second section to which the United Federal Workers objects is subdivision 4 of section 2 which provides "that the service and conduct of such employee are certified by the head of the department or agency of such official as he may designate, as being otherwise satisfactory." This establishes a requirement in addition to efficiency ratings before an employee may receive a raise. A supervisor may stop an employee from receiving a pay increase even if the employee's efficiency rating is excellent. Since efficiency ratings are based on every possible objective factor, the basis for such withholding of raises could only be prejudice. The United Federal Workers believes that there is no need for this section and that it should come out. It is doubly serious in that no provision is made for guaranteeing that the employee know why the raises are being withheld.

The need for pay-raise legislation has been clearly pointed out to this committee by the Bureau of the Budget. Its findings have shown that more high-paid officials throughout the Federal service get raises than do those in the low-paid brackets. Its studies show further that in the field service fewer employees receive wage increases than here in Washington.

The United Federal Workers of America should like to add to the facts presented by the Bureau of the Budget the additional facts that thousands of Government workers have not received pay raises for 10, 15, and 20 years and that

among these are many of the 11 percent of all Federal workers who earn less than \$1,000 a year.

The need for a fair and uniform pay-raise plan is a long-standing one and is justified under normal situations. Today, with a rapid increase in the cost of living, there is a more urgent need for improvement in the wage situation of Federal workers. The cost of living has risen 5 percent throughout the country. In areas such as Washington, crowded by the increasing defense workers, such items as rent have already become exorbitant.

During the last World War Government workers with their fixed salaries suffered a severe break-down in living standards because of the rising costs. This was recognized by Congress, which after the war, voted lump-sum payments to Government workers to make up for the injustices done them.

Our organization has serious question as to whether even the best automatic increase plan, such as that introduced by Senator Downey, adequately meets the needs of the present situation. We firmly believe that action should be taken on pay raises at this session of Congress. We further believe that Congress should properly consider the problem of raising the base pay of Federal workers throughout the country, in addition to providing for an adequate promotions plan.

In closing, the United Federal Workers of America would like to point out that the Congress of Industrial Organizations, through action of the national executive board meeting in Washington on January 9, 1941, has pledged its complete support to the United Federal Workers in its effort to attain wage increases for Federal employees. It called, at this time on all its affiliates to help in this campaign. The Congress of Industrial Organization feels, as the United Federal Workers of America does, that the problem of the Federal worker is very urgent, and that its solution is going to have a marked influence upon policy in private industry. It urges, along with us, that favorable action be taken by your committee.

Senator MEAD. George L. Connell, of New York, president, National Customs Service Association, is the next witness:

STATEMENT OF GEORGE L. CONNELL, PRESIDENT OF THE NATIONAL CUSTOMS SERVICE ASSOCIATION

Mr. CONNELL. On behalf of the 8,200 United States Customs employees, I pray that your committee will see fit at this time to approve H. R. 1073-S.1634, a bill which will provide for uniform salary increases for the civil-service employees of the United States within their respective grades.

Our association will find a great benefit in the improvement in salary conditions that would result from the enactment of this uniform salary increase bill now before your committee. The National Customs Service Association fully indorses its provisions. This association believes that H. R. 1073-S. 1634 is most conservative and fair in its provisions, and since this bill is supported by a recommendation of the Bureau of the Budget, and we believe by the House Appropriations Committee, Government employees might do well to get behind that one bill, H. R. 1073-S. 1634.

The letter of the honorable chairman of the House Committee on Appropriations dated September 30, 1940, and addressed to Congressman Rainspeck, as chairman of the House Civil Service Committee, transmitting a report of the Bureau of the Budget that recommended legislation that would provide automatic promotion, states in the first paragraph the following:

The Committee on Appropriations, in connection with consideration of appropriations from year to year has frequently been confronted with situations indicating the inequalities and lack of uniformity existing with reference to administrative within-grade promotions of personnel falling under the pay grades of the Classification Act of 1923, as amended.

The Customs Service and its employees in whose behalf I address your committee has been suffering from year to year with such inequalities and lack of uniformity of within-grade promotions as described by the Committee on Appropriations. This bill, if enacted, which is now before your committee, will bring about the much-needed correction to this discouraging and unfair situation.

The promotion situation within the ranks of customs employees and the correction thereof by the provisions of H. R. 1073 as originally submitted has been made the subject of a special amendment to H. R. 1073. The Civil Service Committee of the House, and the House itself, has already accepted, approved, and included within the provisions of H. R. 1073, in section 5 of that bill, an amendment submitted by this association which has the approval of the Bureau of the Budget, to cover into the bill's provisions certain employees of the Customs Service, namely, verifiers-openers-packers, guards, inspectors, and station inspectors, who, without such inclusion within the provisions of H. R. 1073, would have been denied the uniform salary increases granted to all other classified civil-service employees under the authority of the bill.

I beg that our association be permitted to bring to the attention of your committee the fact that one group of customs employees now receiving automatic salary increases as is provided in section 1, subsection (c), of the act of Congress approved May 29, 1928 (45 Stat. 955), as amended, have four steps in their salary range. To make the salary range of this group of clerks conform with the number of steps provided in most grades of the Classification Act, it is respectfully suggested that two more steps shall be added to provide a grade of six steps, making the salary range by \$100 increments from a minimum of \$1,700 to a maximum of \$2,300.

The National Customs Service Association was first interested in the matter of automatic promotions by the complaint of our customs inspectors working on both borders of the United States where customs men worked elbow to elbow with the immigration inspectors, who enjoy automatic salary increases. Customs inspectors who had served 12, 15, or more years in their jobs were paid in some instances \$2,100 per annum, the minimum salary provided for this position in the Baeharach Act of 1928. The immigration inspectors with only 5 years of service were receiving \$2,600 per annum. One can readily understand the discouragement and dissatisfaction of the customs men under such circumstances.

The National Customs Service Association believes that a happy condition of the mind in customs officers who may, and frequently do, under normal conditions, collect more in fines and penalties in a day than would pay their salary for one year, is conducive to outstanding performance. It is essential that the men be happy in their jobs and have the right spirit in their work and it is this that I am sure actuated Commissioner of Customs James Moyle in advocating automatic salary increases that resulted in the introduction of the first Customs Service automatic salary increase bill vetoed by the President.

While there has been some small improvement in the salary situation since that time, the salaries of the customs men are woefully below the salary paid to the immigration inspectors who work in many cases right alongside of the customs men.

Customs men everywhere rejoice in the thought that at least their brother officers of the Immigration Service are enjoying the benefit of an automatic salary increase. It is just natural, however, that we offer this fact and the fact that the post-office employees have the automatic salary increases, as an evidence of the inequalities and lack of uniformity that we beg your committee to assist in correcting by the approval of H. R. 1073-S. 1634.

I need hardly add more to any argument I might make on behalf of this legislation than to include therein the statement made on page 5 of the report submitted by the Director of the Bureau of the Budget covering a "Salary advancement plan for the Federal service." Under the heading "Purposes and objectives" the Director of the Bureau of the Budget states [reading]:

The specific purposes and objectives of the salary advancement plan recommended in this report are the following:

1. To promote economy and efficiency in the Government service.
2. To recognize superior work, to provide incentives for better performance, to improve employee morale, and to aid in attracting and keeping competent persons in the service.
3. To remove present inequalities in the administration of salary advancement.
4. With due regard to efficiency, length of service, and a reasonable period of time required for advancement from the minimum to the maximum salary level of each grade, to afford equal opportunity for all employees in positions subject to the compensation schedules of the Classification Act to attain the salary levels included in those schedules.
5. To keep the average annual cost of the plan, after the initial period of adjustment, approximately within the savings resulting from turn-over of personnel, filling of vacancies at lower salary rates, reduction of personnel through redistribution of work, and improved efficiency.

In these five brief sentences there is summed up all the argument in favor of this legislation. If enacted at this time the bill will not only carry out the "purposes and objectives" so clearly stated by the Bureau of the Budget, but will enable Federal employees to face the future in these days of rapidly rising living costs, with some hope that these periodic salary increments will help meet this threat against their budgets, if not entirely, at least in part.

This association thanks your committee for this opportunity to be heard, and respectfully asks not only favorable but speedy action on H. R. 1073-S. 1634.

Senator MEAD. Are there any other witnesses?

(No response.)

Senator MEAD. If not, the hearing will stand adjourned to have printed copies as soon as possible, and I will report to the chairman of the committee and the full committee.

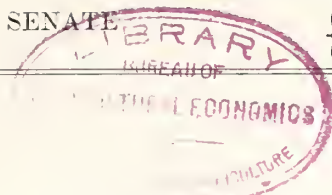
(Whereupon, at 3:15 p. m., June 27, 1941, the committee adjourned.)

STATEMENT SUBMITTED BY EDGAR G. BROWN, PRESIDENT, UNITED GOVERNMENT EMPLOYEES, INC., AND DIRECTOR OF THE NATIONAL NEGRO COUNCIL

Our organizations favor the uniform pay increase and promotional procedure outlined and approved by the Budget Bureau and incorporated in H. R. 1073, now before the Senate Civil Service Committee. This measure is highly satisfactory and very timely; we only hope a \$1,500 minimum wage may be incorporated for all Federal and District employees. Thank you for your leadership in this vital matter.



Sept 3



FILE COPY

AMENDING THE CLASSIFICATION ACT OF 1923,
AS AMENDED

JULY 3, 1941.—Ordered to be printed

Mr. MEAD, from the Committee on Civil Service, submitted the following

REPORT

[To accompany H. R. 1073]

The Committee on Civil Service, to whom was referred the bill (H. R. 1073) to amend the Classification Act of 1923, as amended, having considered the same, report favorably thereon with amendments and recommend that the bill as amended pass. Amendments are as follows:

On page 5, between lines 21 and 22, insert a new section as follows:

SEC. 6. Section 3 of the Legislative Pay Act of 1929 is hereby amended effective on the date of the enactment of this act by adding at the end of the first paragraph thereof, before the period, the following: "*Provided further*, That the compensation of any employees under the Office of the Architect of the Capitol whose tenure of employment is temporary or of uncertain duration may be fixed by the Architect of the Capitol without reference to the provisions of the Classification Act of 1923, as amended".

On page 5, line 22, strike out "6" and insert "7".

On page 6, line 1, strike out "7" and insert "8".

On page 6, line 3, strike out "8" and insert "9".

The intent of the first amendment is to continue the mandatory application of the Classification Act to employees under the office of the Architect of the Capitol serving under regular appointments whose tenure of employment is permanent in character, but to make optional its application to other employees, designated in the amendment as "employees under the office of the Architect of the Capitol whose tenure of employment is temporary or of uncertain duration."

For employees to receive benefits under H. R. 1073 it is a precedent requirement that they remain in employment in positions under the Classification Act for a period of 18 months or longer.

No class of employees will suffer adverse effects by excluding from the Classification Act the employees designated in the amendment. Employees falling within the purview of the Ramspeck bill except for this amendment would in the majority of cases not remain in the service long enough to receive any material benefits.

Elevator operators, however, would be adversely affected if left under the Classification Act. Since 1929 they have been employed at the uniform rate of \$1,200 per annum, but under H. R. 1073 future appointees would have to be held at the rate of \$1,080 per annum—the minimum rate of their grade—for a period of 18 months, resulting in an upset of the present uniformity of pay and also in an inequity of pay for such employees, as they would not be accorded the same benefits as their predecessors have received for the past 12 years.

The remaining amendments make necessary corrections of section numbers.

GENERAL STATEMENT

This bill is the result of a study made by the Bureau of the Budget pursuant to a request of the House Committee on Appropriations expressed in House Report No. 98, dated February 24, 1939, on the Treasury and Post Office Departments appropriation bills, fiscal year 1940.

It is not a pay-raise bill, but is a plan to regulate the granting of increases in pay to Government employees on a uniform and definite basis, pursuant to the terms and conditions set forth in the proposal.

It is believed that there is hardly a Member of Congress who has not at some time or other had complaints from Government employees that they have not received increases in pay for long periods of time; that when raises are given, favoritism and other factors have played a part. The purpose of this bill is to set up a uniform and fair plan for handling this problem. It aims to bring order out of chaos, and fairness so far as is humanly possible.

The Classification Act, which defines and sets up the various grades and rates of pay for governmental employees, was originally passed by the Congress in 1923. That law and amendments contemplated that employees who performed their duties efficiently could advance within their grades, and from grade to grade, when their records and qualifications justified it. However, no uniform system has ever been established for granting pay raises. Various departments and agencies of the Government have made representations to the Bureau of the Budget and the Committee on Appropriations for specific amounts for this purpose. The result has been, dependent upon the activity of the particular agency involved, that some departments and agencies have received much more liberal treatment than others. Furthermore, after lump sums were granted in the various appropriation bills for salary increases, the discretion has been left entirely in the hands of the administrators of those departments and agencies as to how such funds would be distributed. The only check or system, if it could be called that, has been contained in the language of the various appropriation bills known as the average clause, and the provisions contained in appropriation bills for the last year or so, requiring the Bureau of the Budget to determine what amounts should be available to the various departments and agencies for administrative within-grade promotions.

This bill does not apply to groups whose rates of pay are fixed by special enactments of Congress, such as post-office employees and others.

A subcommittee held hearings on this measure, at which hearings representatives of the Bureau of the Budget, the Civil Service Commission, and various employees' groups, all endorsed and urged the passage of this proposal. The House Civil Service Committee unanimously recommended this act and it passed the House without a dissenting vote.

It is believed the statement by Mr. Harold D. Smith, Director of the Bureau of the Budget, to the House committee is a fair and concise description of the bill and its purposes. For the information of the Senate his statement is printed at this point.

In the first session of the Seventy-sixth Congress, the Appropriations Committee of the House of Representatives requested the Bureau of the Budget to make a survey of the situation throughout the Federal Government service regarding administrative promotions in order that a uniform salary-advancement plan might be developed. The committee request is contained in the following excerpt from the report on the Treasury and Post Office Departments' appropriation bill, fiscal year 1940 (76th Cong., 1st sess., Rept. No. 98, p. 7):

"It appears that there has never been any well-defined policy in the matter of affording salary step-ups in the various departments and independent agencies of the Government within grades of the Classification Act. * * *

"This lack of consistent approach to this most important problem has resulted in inequities and lack of the uniformity in pay contemplated by the Classification Act. It becomes self-evident to the committee, therefore, that the Bureau of the Budget should undertake a scientific appraisal of this entire question with a view of arriving at some means and method whereby uniformity of treatment in the matter of advances within grades, based on efficiency, may be attained."

After receiving the committee's request, the Bureau of the Budget made a survey of the facts regarding salary advancement in the departments and agencies of the Government at the close of the fiscal year 1939. This study confirmed the impression that there had been widespread differences in the opportunities for salary advancements and inconsistencies in the manner in which such increases had been handled among various departments and agencies.

The more important conditions revealed by our survey and which stand in need of correction are the following:

1. Employees of the Government holding positions subject to the compensation schedules of the Classification Act have been at a substantial disadvantage relatively in the matter of salary advancement by comparison with employees occupying positions in services covered by statutory promotion plans.

2. Employees occupying field positions have been under relative disadvantage by comparison with employees occupying departmental positions in Washington.

3. Substantial differences have been found in the opportunities for salary advancement as between employees in high- and low-salary brackets.

4. Considerable numbers of efficient employees have remained on the pay roll for periods of 3 years or longer without any increase in salary.

5. The present lack of controls on salary advancement leaves such wide administrative discretion that uniform standards for determining eligibility for advancement have not resulted.

6. Employees in agencies financed from relatively small and limited salary appropriations have been at a disadvantage in comparison with employees in agencies financed from large lump-sum appropriations.

7. In the absence of a uniform salary-advancement plan and because of the different methods of appropriating funds, it has been difficult for Congress, for the Bureau of the Budget, and for the departments and agencies to be consistent in the provision for and use of funds for salary advancement.

8. The "average clause" contained in appropriation bills seemed necessary in the absence of other effective controls on salary advancement. Although this clause affects a relatively small group of employees at the present time, it presents an arbitrary barrier to salary advancement for the employees affected without regard to their efficiency, length of service, or value to an organization.

The Appropriations Committee's request for this study stressed the need for uniformity in salary-advancement policies. Uniformity carries with it, however, an inevitable limiting of administrative discretion. Discretion in granting salary advancement is considered by many administrators as an essential prerequisite to the full utilization of the incentive value of promotions. Freedom of administrative discretion is the antithesis of formula; yet freedom of discretion may result in inequities in administration.

The problem of formulating recommendations for making salary advancements, therefore, calls for a compromise between complete freedom of administrative action and the automatic operation of a rigid formula.

In addition to uniformity, we have had in mind the following specific purposes and objectives in developing and recommending our salary advancement plan.

1. To promote economy and efficiency in the Government service.
2. To recognize superior work, to provide incentives for better performance, to improve employee morale, and to aid in attracting and keeping competent persons in the service.
3. To remove present inequalities in the administration of salary advancement.
4. With due regard to efficiency, length of service, and a reasonable period of time required for advancement from the minimum to the maximum salary level of each grade, to afford equal opportunity for all employees in positions subject to the compensation schedules of the Classification Act to attain the salary levels included in those schedules.

5. To keep the average annual cost of the plan, after the initial period of adjustment, approximately within the lapses and savings resulting from turn-over of personnel, filling of vacancies at lower salary rates, reduction of personnel through redistribution of work, and improved efficiency.

In order that this question might be approached from a personnel as well as from a fiscal and general management standpoint, we requested the cooperation of the Civil Service Commission and the Council of Personnel Administration. While these agencies and individuals were most helpful to the staff of the Bureau of the Budget in the development of the proposals contained in our report, the Bureau of the Budget assumes full responsibility for the findings and recommendations.

In brief, the plan which we have recommended and which is now before this committee in H. R. 1073 provides that a salary advancement of one step within the grade shall be given each 18 months to employees in grades where the salary increments are \$60 or \$100, and in each 30 months to employees in grades where salary increments are \$200 or \$500 (proposed in the plan to be changed to \$250) provided (1) that no other equivalent increase in compensation has been received from any cause during the time specified, (2) that an employee's efficiency, service, and conduct shall have been satisfactory. In order to receive any advancement, an employee must have an efficiency rating of "Good" or better than "Good," and in order to receive advancement above the midpoint of the grade, his efficiency rating must be "Very good" or "Excellent."

In addition, the plan provides in section 2 (f) for administrative discretion to grant additional salary advancements in unusually meritorious cases. This provision makes it theoretically possible for an employee to be advanced twice as rapidly as under the framework of the general salary advancement plan. We regard such authority as indispensable to effective operation of a promotion plan. Salary advancement, if it is to serve its purpose as an incentive to better work and as a reward for past effectiveness, should not become an automatic right. Any system that does not provide a reasonable amount of administrative discretion in the granting of increases fails to achieve this purpose and becomes entirely automatic in operation.

Under the proposal for regular periodic increases, it will be noted that employees in grades with minimum salaries less than \$3,800 are eligible for advancement to the top of their grades during a period of 9 years. Eligible employees in the higher salaried groups wait a period of 10 years before attaining the maximum salary for their grades.

The spread from minimum to maximum salary level and the size of the salary increment steps bears a relatively constant ratio to the base salary for each grade. That is to say, a \$60 increment with a maximum spread of \$360 bears approximately the same relationship to a base salary of \$1,440 as does a \$200 increment with a spread of \$800 to a base salary of \$3,800. It seems entirely consistent with the objectives of the Classification Act that approximately the same period of time should be required for advancement from the minimum to the maximum

salary rates in all grades. The proposed plan, requiring 9 and 10 years, respectively, for the full amount of salary advancement, approximates this objective. Since the number of steps in the higher salary grades is smaller than in the lower, it obviously becomes necessary to require a somewhat longer waiting period between increases in the higher brackets, if we are to provide for advancement to the top of the grade in about the same period of time regardless of the salary level.

Particular attention was given to the situation for the classification grades with base salaries of \$6,500 and \$8,000. At the present time these grades provide for only two salary advancement steps of \$500. If the maximum salary for these grades were to be attained in a period of 10 years, it would call for a waiting period of 5 years between increases. This seems to be an unreasonably long period of time; it also results in a minimum of incentive value being attached to the salary-advancement plan for these grades. In view of these facts, and in order that employees in these grades may be treated on a basis comparable to employees in grades with a \$200 salary increment, section 4 of the bill provides for amending the Classification Act so that these grades will have four steps of \$250 each.

We have considered other possible requirements for the waiting period and have concluded that the arrangement for 18 and 30 months, respectively, is a satisfactory means of spreading salary advancements to the maximum of the grade over approximately the same time period in both low and high salaried groups. Also, the length of these waiting periods is such that the cost of the plan is not unreasonable.

The cost of a salary-advancement plan is a matter of first importance in determining its feasibility. A salary-advancement plan should promote economy. It should in the long run pay for itself. Its operation should not represent an ever-increasing cost of Government services.

In our report we made a detailed estimate of the cost of our recommended plan. This estimate was necessarily based upon the factual situation existing on June 30, 1939, the date to which our survey data related, and involved certain important assumptions. We assumed that the plan went into operation on July 1, 1939, that the number of employees covered by the plan remained unchanged at approximately 304,000, that the rate of turn-over and line promotions existing at the start of the plan continued constantly throughout its operation, that the distribution of efficiency ratings among the adjective categories remained unchanged. All of these assumptions had the purpose of isolating the effect of the salary advancement plan itself. It was fully realized that any material change in any one or more of these factors would have its corresponding bearing upon the operation and cost of the salary-advancement plan. Nevertheless, the cost figures in our report can be considered as a bench mark. Any increase in coverage would entail a proportionate increase in cost.

Based upon these assumptions our estimates indicated that in the first year of operation of the salary-advancement plan, approximately 159,000 employees would become eligible for advancement. This number of advancements would represent a net increase of approximately 7½ million dollars in the annual pay roll. However, savings resulting from the staggered dates upon which increases are granted would reduce the cash requirement during the first year to 5½ million dollars.

The salary-advancement plan with a coverage of 304,000 employees would, after 10 years of operation, result in an increase in the annual pay roll of \$29,000,000 above the amount of the pay roll at the beginning of the operation of the plan.

It is highly significant that the increase in pay roll for each year, if averaged over a period of 10 years, represents less than \$3,000,000 per year or less than one-half of 1 percent of the annual pay roll of approximately \$600,000,000 paid to the 304,000 employees covered by the plan.

After the plan has been in operation for as many as 10 years, the lapses resulting from turn-over and line promotions will almost equal the annual cost of granting the increases to the eligible employees, and there will be little or no further additional cost. The plan will become self-supporting.

Since the preparation of our report there has been an obvious increase in the number of Government employees, and hence in the coverage and cost of the plan.

Data submitted in connection with the Budget estimates for 1942 indicate that on June 30, 1940, the number of employees which would have been covered by the plan would have been approximately 346,000 instead of 304,000 reported on the pay rolls in positions subject to the provision of the plan on June 30, 1939. Further

increase in coverage is, of course, occurring during the present fiscal year and will continue into next year.

The increase in coverage of the plan is due not alone to the increasing size of the Government but also to the transfer of positions to the compensation schedules of the Classification Act, as a result of reorganization plans and by anticipated extension of the Classification Act pursuant to the provisions of the Ramspeck Act.

Expansion in the size of the Government structure creates an increased opportunity for promotion from grade to grade and improved general business conditions have tended to raise the rate of turn-over in Government positions. This increased rate of turn-over and promotion raises the proportion of the total cost of salary-advancement plan which can be borne from lapses and without the necessity for new money.

However, in contrast to this factor, the restrictions on promotions which are in existence during the current fiscal year and which resulted from certain reorganization changes during the last fiscal year tend to accumulate a backlog of eligibility for salary advancement under the promotion plan. This factor would mean an increase in the cost during the first year of operation.

It is obvious that these cost factors are complex and interrelated. An accurate estimate of the appropriation needs during the first several years of the operation of the plan would have to be made, as indicated in our report, upon a supplemental or deficiency appropriation basis.

The present consideration of this problem by your committee is exceedingly timely. The emergency situation calls for the highest degree of employee morale in the Government services. Undoubtedly, the Government is currently losing a number of highly competent persons because of the absence of any salary advancement plan.

During the current fiscal year, salary advancements are restricted by legislation and by a formula recommended last year by the Appropriations Committee. These restrictions and the formula were frankly recognized by the committee to be a temporary stop-gap until such time as a more adequate long-range plan could be adopted.

Up to the present time, neither the Budget for the fiscal year 1942 nor the appropriation bills, which have passed the House of Representatives, carry any restrictions upon or any provisions for salary advancement in the next fiscal year. It is obviously of very great importance that a uniform approach to this problem in the next fiscal year be adopted by the Congress. The Bureau of the Budget has refrained from making any temporary recommendations on this subject for the next fiscal year in the hope that it would be possible for the Congress to adopt a long-range plan.

The Civil Service Commission submitted the following report:

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., March 7, 1941.

HON. ROBERT RAMSPECK,
Chairman, Committee on the Civil Service,
House of Representatives.

MY DEAR MR. CHAIRMAN: Referring to your letter of January 14, 1941, receipt of which was acknowledged on January 16, 1941, we desire to offer the following report on H. R. 1073, a bill to amend the Classification Act of 1923, as amended.

H. R. 1073 is a bill recommended to the House Appropriations Committee in a report made by the Bureau of the Budget as a result of a request for a study of the salary-advancement problem contained in the report on the Treasury-Post Office appropriation bill for the fiscal year 1940. A complete discussion of the problem and of the provisions of the bill is contained in the House committee print of the Bureau of the Budget's report. Consequently, it is not necessary for the Commission to comment upon these provisions in detail.

A salary-advancement plan from an administrative standpoint is a necessary complement to the existing provisions of the Classification Act. Good salary administration requires the establishment and maintenance of two procedures:

(1) The position-classification process results in the analysis and evaluation of individual positions and their classification in such a way that there shall be equal pay scales for equal work. This process is covered by the provisions and the current administrative practice under the Classification Act of 1923, as amended. (2) The second process essential to good salary administration involves the determination for each employee of the particular rate of pay within the pay scale for his classification that he is entitled to from time to time. It is this second

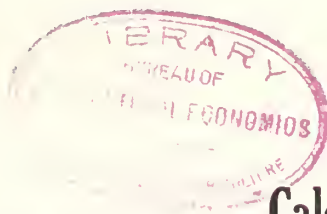
process with which H. R. 1073 deals. Present conditions, with respect to salary advancements within the grade, are notoriously unsatisfactory. The problem of improving the situation is complicated by the fact that various agencies, administrative officials, and employees have different interests and desires.

The bill prepared by the Bureau of the Budget is, in the opinion of the Commission, a good product which meets well the conflicting interests and desires which are always involved in a problem of this kind. It will certainly tend toward uniformity and consistency in salary administration. We recommend, accordingly, that it receive the favorable consideration of the committee.

Sincerely yours,

HARRY B. MITCHELL, *President.*





FILE 2-14

Calendar No. 519

77TH CONGRESS
1ST SESSION

H. R. 1073

[Report No. 503]

IN THE SENATE OF THE UNITED STATES

JUNE 19 (legislative day, JUNE 10), 1941

Read twice and referred to the Committee on Civil Service

JULY 3, 1941

Reported by Mr. MEAD, with amendments

[Omit the part struck through and insert the part printed in *italic*]

AN ACT

To amend the Classification Act of 1923, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Classification Act of 1923, as amended, is hereby
4 further amended as follows:

5 SEC. 2. Section 7 of the said Act is hereby amended by
6 inserting the letter “(a)” after the figure “7” at the begin-
7 ning of said section, and by adding the following paragraphs
8 as subsections thereof:

9 “(b) All employees compensated on a per annum basis,
10 and occupying permanent positions within the scope of the
11 compensation schedules fixed by this Act, who have not

1 attained the maximum rate of compensation for the grade in
2 which their positions are respectively allocated, shall be
3 advanced in compensation successively to the next higher
4 rate within the grade at the beginning of the next quarter,
5 following the completion of: (1) Each eighteen months of
6 service if such employees are in grades in which the com-
7 pensation increments are \$60 or \$100, or (2) each thirty
8 months of service if such employees are in grades in which
9 the compensation increments are \$200 or \$250, subject to
10 the following conditions:

11 “(1) That no equivalent increase in compensation from
12 any cause was received during such period, except increase
13 made pursuant to subsection (f) of this section:

14 “(2) That an employee whose rate of compensation is
15 below the middle rate of the grade shall not be advanced
16 unless his current efficiency is good or better than good;

17 “(3) That an employee whose rate of compensation is
18 at or above the middle rate of the grade shall not be advanced
19 unless his current efficiency is better than good;

20 “(4) That the service and conduct of such employee
21 are certified by the head of the department or agency or such
22 official as he may designate as being otherwise satisfactory.

23 “(c) The term ‘good’ as used herein shall be defined in
24 accordance with the systems of efficiency rating established
25 pursuant to section 9 of this Act.

1 “(d) For the purposes of this section, the fourth salary
2 rate in grades 2 and 3 of the custodial service shall be
3 considered the middle rate.

4 “(e) Employees eligible under subsection (b) for com-
5 pensation advancement by reason of service immediately pre-
6 ceding the effective date of this amendment shall be advanced
7 to the next higher rate of compensation within the grade to
8 which their positions are respectively allocated at the begin-
9 ning of the next quarter immediately following the effective
10 date of this amendment.

11 “(f) Within the limit of available appropriations, and
12 in recognition of especially meritorious services, the head
13 of any department or agency is authorized to make addi-
14 tional within-grade compensation advancements, but any
15 such additional advancements shall not exceed one step and
16 no employee shall be eligible for more than one additional
17 advancement hereunder within each of the time periods
18 specified in subsection (b). All actions under this subsec-
19 tion and the reasons therefor shall be reported to the Civil
20 Service Commission. The Commission shall present an
21 annual consolidated report to the Congress covering the
22 numbers and types of actions taken under this subsection.

23 “(g) The President is hereby authorized to issue such
24 regulations as may be necessary for the administration of
25 this section.”

1 SEC. 3. Section 9 of the said Act is hereby amended by
2 adding thereto the following paragraph:

3 “The Civil Service Commission and heads of depart-
4 ments are authorized and directed to take such action as
5 will apply the provisions of this section uniformly to all
6 employees occupying positions within the compensation
7 schedules fixed by this Act as nearly as is practicable.”

8 SEC. 4. Section 13 of the said Act is hereby further
9 amended so as to provide the following annual rates of
10 compensation and salary steps within grades 14 and 15 of
11 the clerical, administrative, and fiscal service and grades 7
12 and 8 of the professional and scientific service:

13 “Clerical, administrative, and fiscal service:

14 “Grade 14: \$6,500, \$6,750, \$7,000, \$7,250,
15 \$7,500.

16 “Grade 15: \$8,000, \$8,250, \$8,500, \$8,750,
17 \$9,000.

18 “Professional and scientific service:

19 “Grade 7: \$6,500, \$6,750, \$7,000, \$7,250, \$7,500.

20 “Grade 8: \$8,000, \$8,250, \$8,500, \$8,750,
21 \$9,000.

22 SEC. 5. (a) Title II of the Act of November 26, 1940,
23 entitled “An Act extending the classified executive civil serv-
24 ice of the United States”, is hereby amended by deleting from
25 section 3 (d) (viii) the words “verifiers, openers, packers,

1 guards, inspectors, station inspectors” so that the paragraph
2 as amended will read as follows:

3 “(viii) Offices or positions of clerks and laborers
4 in the Customs Service of the Treasury Department, the
5 compensation of which is fixed under an Act of Congress
6 approved May 29, 1928 (45 Stat. 955), as amended;”.

7 (b) Upon the passage of this Act, the Secretary of the
8 Treasury shall allocate to the services and grades of the
9 compensation schedules of the Classification Act of 1923, as
10 amended, the other positions heretofore covered by said Act
11 of May 29, 1928, in the same manner as other positions in
12 the field service of the Treasury Department are allocated
13 under section 2 of July 3, 1930 (46 Stat. 1003).

14 (c) Nothing contained in this section shall be construed
15 to decrease the existing compensation of any employee, but
16 when his position shall become vacant it shall be filled in
17 accordance with the regular compensation schedule applicable
18 to such position.

19 *SEC. 6. Section 3 of the Legislative Pay Act of 1929*
20 *is hereby amended effective on the date of the enactment of*
21 *this Act by adding at the end of the first paragraph thereof,*
22 *before the period, the following: “Provided further, That the*
23 *compensation of any employees under the Office of the Archi-*
24 *tect of the Capitol whose tenure of employment is temporary*
25 *or of uncertain duration may be fixed by the Architect of*

1 *the Capitol without reference to the provisions of the Classi-*
2 *fication Act of 1923, as amended".*

3 SEC. 6 7. There are hereby authorized to be appropriated
4 such sums as may be necessary to carry the provisions of
5 this Act into effect.

6 SEC. 7 8. Insofar as they are inconsistent or in conflict
7 with prior laws, the provisions of this Act shall control.

8 SEC. 8 9. This Act shall take effect on July 1, 1941.

Passed the House of Representatives June 17, 1941.

Attest:

SOUTH TRIMBLE,

Clerk.

77TH CONGRESS
1ST SESSION

H. R. 1073

[Report No. 503]

AN ACT

To amend the Classification Act of 1923, as amended.

JUNE 19 (legislative day, JUNE 10), 1941

Read twice and referred to the Committee on
Civil Service

JULY 3, 1941

Reported with amendments

77TH CONGRESS
1ST SESSION

H. R. 1073



IN THE HOUSE OF REPRESENTATIVES

JULY 14, 1941

Ordered to be printed with the amendments of the Senate numbered

AN ACT

To amend the Classification Act of 1923, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Classification Act of 1923, as amended, is hereby
4 further amended as follows:

5 SEC. 2. Section 7 of the said Act is hereby amended by
6 inserting the letter "(a)" after the figure "7" at the begin-
7 ning of said section, and by adding the following paragraphs
8 as subsections thereof:

9 “(b) All employees compensated on a per annum basis,
10 and occupying permanent positions within the scope of the
11 compensation schedules fixed by this Act, who have not
12 attained the maximum rate of compensation for the grade in

1 which their positions are respectively allocated, shall be
2 advanced in compensation successively to the next higher
3 rate within the grade at the beginning of the next quarter,
4 following the completion of: (1) Each eighteen months of
5 service if such employees are in grades in which the com-
6 pensation increments are \$60 or \$100, or (2) each thirty
7 months of service if such employees are in grades in which
8 the compensation increments are \$200 or \$250, subject to
9 the following conditions:

10 “(1) That no equivalent increase in compensation from
11 any cause was received during such period, except increase
12 made pursuant to subsection (f) of this section;

13 “(2) That an employee whose rate of compensation is
14 below the middle rate of the grade shall not be advanced
15 unless his current efficiency is good or better than good;

16 “(3) That an employee whose rate of compensation is
17 at or above the middle rate of the grade shall not be advanced
18 unless his current efficiency is better than good;

19 “(4) That the service and conduct of such employee
20 are certified by the head of the department or agency or such
21 official as he may designate as being otherwise satisfactory.

22 “(c) The term ‘good’ as used herein shall be defined in
23 accordance with the systems of efficiency rating established
24 pursuant to section 9 of this Act.

25 “(d) For the purposes of this section, the fourth salary

1 rate in grades 2 and 3 of the custodial service shall be
2 considered the middle rate.

3 “(e) Employees eligible under subsection (b) for com-
4 pensation advancement by reason of service immediately pre-
5 ceding the effective date of this amendment shall be advanced
6 to the next higher rate of compensation within the grade to
7 which their positions are respectively allocated at the begin-
8 ning of the next quarter immediately following the effective
9 date of this amendment.

10 “(f) Within the limit of available appropriations, and
11 in recognition of especially meritorious services, the head
12 of any department or agency is authorized to make addi-
13 tional within-grade compensation advancements, but any
14 such additional advancements shall not exceed one step and
15 no employee shall be eligible for more than one additional
16 advancement hereunder within each of the time periods
17 specified in subsection (b). All actions under this subsec-
18 tion and the reasons therefor shall be reported to the Civil
19 Service Commission. The Commission shall present an
20 annual consolidated report to the Congress covering the
21 numbers and types of actions taken under this subsection.

22 “(g) The President is hereby authorized to issue such
23 regulations as may be necessary for the administration of
24 this ~~(1) section.~~” *section.*

25 ~~(2)~~“(h) The provisions of subsections (b) to (f), both

1 *inclusive, of this section shall not apply to the compensation of*
 2 *persons appointed by the President, by and with the advice*
 3 *and consent of the Senate."*

4 SEC. 3. Section 9 of the said Act is hereby amended by
 5 adding thereto the following paragraph:

6 "The Civil Service Commission and heads of depart-
 7 ments are authorized and directed to take such action as
 8 will apply the provisions of this section uniformly to all
 9 employees occupying positions within the compensation
 10 schedules fixed by this Act as nearly as is practicable."

11 SEC. 4. Section 13 of the said Act is hereby further
 12 amended so as to provide the following annual rates of
 13 compensation and salary steps within grades 14 and 15 of
 14 the clerical, administrative, and fiscal service and grades 7
 15 and 8 of the professional and scientific service:

16 "Clerical, administrative, and fiscal service:

17 "Grade 14: \$6,500, \$6,750, \$7,000, \$7,250,
 18 \$7,500.

19 "Grade 15: \$8,000, \$8,250, \$8,500, \$8,750,
 20 \$9,000.

21 "Professional and scientific service:

22 "Grade 7: \$6,500, \$6,750, \$7,000, \$7,250, \$7,500.

23 "Grade 8: \$8,000, \$8,250, \$8,500, \$8,750,
 24 \$9,000.

25 SEC. 5. (a) Title II of the Act of November 26, 1940,

1 entitled “An Act extending the classified executive civil serv-
 2 ice of the United States”, is hereby amended by deleting from
 3 section 3 (d) (viii) the words “verifiers, openers, packers,
 4 guards, inspectors, station inspectors” so that the paragraph
 5 as amended will read as follows:

6 “(viii) Offices or positions of clerks and laborers
 7 in the Customs Service of the Treasury Department, the
 8 compensation of which is fixed under an Act of Congress
 9 approved May 29, 1928 (45 Stat. 955), as amended;”.

10 (b) Upon the passage of this Act, the Secretary of the
 11 Treasury shall allocate to the services and grades of the
 12 compensation schedules of the Classification Act of 1923, as
 13 amended, the other positions heretofore covered by said Act
 14 of May 29, 1928, in the same manner as other positions in
 15 the field service of the Treasury Department are allocated
 16 under section 2 of July 3, 1930 (46 Stat. 1003).

17 (c) Nothing contained in this section shall be construed
 18 to decrease the existing compensation of any employee, but
 19 when his position shall become vacant it shall be filled in
 20 accordance with the regular compensation schedule applicable
 21 to such position.

22 **(3)** *SEC. 6. Section 3 of the Legislative Pay Act of 1929*
 23 *is hereby amended effective on the date of the enactment of*
 24 *this Act by adding at the end of the first paragraph thereof,*
 25 *before the period, the following: “Provided further, That the*

1 *compensation of any employees under the Office of the Archi-*
 2 *tect of the Capitol whose tenure of employment is temporary*
 3 *or of uncertain duration may be fixed by the Architect of*
 4 *the Capitol without reference to the provisions of the Classi-*
 5 *fication Act of 1923, as amended".*

6 SEC. (4)6 7. There are hereby authorized to be ap-
 7 propriated such sums as may be necessary to carry the
 8 provisions of this Act into effect.

9 SEC. (5)7 8. Insofar as they are inconsistent or in con-
 10 flict with prior laws, the provisions of this Act shall control.

11 SEC. (6)8 9. This Act shall take effect on July 1, 1941.

Passed the House of Representatives June 17, 1941.

Attest: SOUTH TRIMBLE,
Clerk.

Passed the Senate with amendments July 14, 1941.

Attest: EDWIN A. HALSEY,
Secretary.

AN ACT

To amend the Classification Act of 1923, as amended.

IN THE HOUSE OF REPRESENTATIVES

JULY 14, 1941

Ordered to be printed with the amendments of the
Senate numbered

subject A Reply to the War Cry, which appears in the Appendix.]

FOURTH OF JULY ADDRESS BY SENATOR WILEY AT CRANDON, WIS.

[Mr. WILEY asked and obtained leave to have printed in the RECORD a Fourth of July address delivered by him at Crandon, Wis., which appears in the Appendix.]

ADDRESS BY SENATOR WILEY AT BEAVER DAM, WIS.

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address delivered by him on July 6, 1941, at Beaver Dam, Wis., which appears in the Appendix.]

BACCALAUREATE SERMON BY PRESIDENT PAUL F. DOUGLASS TO GRADUATING CLASSES OF AMERICAN UNIVERSITY

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD the baccalaureate sermon delivered to the graduating classes of the American University by President Paul F. Douglass, which appears in the Appendix.]

ADDRESS BY MRS. GUILFORD DUDLEY AT PRESENTATION OF AWARD TO MRS. CARRIE CHAPMAN CATT

[Mr. STEWART asked and obtained leave to have printed in the RECORD an address delivered by Mrs. Guilford Dudley at the White House on May 16, 1941, on the occasion of the presentation of the national achievement award to Mrs. Carrie Chapman Catt, which appears in the Appendix.]

AN EXPLANATION DUE

[Mr. VANDENBERG asked and obtained leave to have printed in the RECORD an editorial entitled "An Explanation Due," which appears in the Appendix.]

DELAY OF DEFENSE PROJECTS BY STRIKES, AND BAN ON CRITICISM OF C. I. O.

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article from the New York Times of July 14, 1941, entitled "187 Strikes Cost 2,458,150 Man-Days," and an article from the New York Times of July 14, 1941, entitled "Anti-C. I. O. Talk Tabooed In Plant," which appear in the Appendix.]

EDITORIALS ON BASTILLE DAY

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial from the New York Times entitled "Bastille Day," and an editorial from the New York Herald Tribune entitled "Two Brief Years," which appear in the Appendix.]

BUSINESS RESPONSIBLE FOR HITLER—EDITORIAL FROM LABOR

[Mr. DAVIS asked and obtained leave to have printed in the RECORD an editorial from Labor of the issue of July 15, 1941, entitled "Business Responsible for Hitler," which appears in the Appendix.]

STRIKES IN DEFENSE INDUSTRIES

The VICE PRESIDENT. The Chair lays before the Senate a concurrent resolution coming over from a previous day, which will be read.

The Chief Clerk read the concurrent resolution (S. Con. Res. 12), submitted by Mr. BYRD on May 26, 1941, relative to strikes in defense industries.

Mr. McNARY. Let the concurrent resolution go over.

The VICE PRESIDENT. Without objection, the concurrent resolution will be passed over.

The morning business is closed.

AMENDMENT OF CLASSIFICATION ACT

Mr. MEAD. Mr. President, I move that the Senate proceed to the considera-

tion of House bill 1073, providing for amendment of the Classification Act.

Mr. McNARY. Mr. President, I do not know that I will have objection, but the request does not conform with the understanding we had last Thursday. At that time the able Senator from Kentucky [Mr. BARKLEY] agreed that we would take up what is called the "pipe line" bill this morning. I objected to the consideration of a bill reported by the Senator from North Carolina [Mr. REYNOLDS] relating to weeding out some of the higher officers in the Army. There was a desire that the bill be taken up last Thursday, but I objected because it had not reached the calendar. It was agreed on the floor of the Senate that the two bills to which I have referred should come up for consideration this morning.

I am not in charge of the program, but the program outlined on Thursday was as I have stated it. If there is to be a modification, I should prefer that it be made by unanimous consent. I shall not object if the Senator will ask unanimous consent, although it does not conform to the understanding had here Thursday regarding what would be the program this morning.

Mr. MEAD. I shall be glad to change my suggestion and ask unanimous consent that House bill 1073 be taken up for consideration.

Mr. McNARY. I stated that I would have no objection, but with that request being made, any Senator may object who desires that we go along with the program heretofore authorized. Personally I have no objection to the suggested change in the order.

Mr. BRIDGES. What bill is it the Senator is asking to have taken up?

Mr. MEAD. It is a bill to amend the Classification Act of 1923. The bill, which was under consideration last Thursday, was drafted by the Bureau of the Budget at the request of the Committee on Appropriations of the House of Representatives. It has to do with the orderly increasing of pay of Federal workers. It is not a pay-increase bill. It merely sets up a formula to attain the objective set forth by the House Committee on Appropriations. Our committee considered the bill, and there were in attendance at the committee meeting the junior Senator from Vermont [Mr. AIKEN], the junior Senator from Virginia [Mr. BYRD], the junior Senator from California [Mr. DOWNEY], and myself.

The bill has been reported by the House committee, passed by the House itself, and reported by the Senate committee by unanimous consent. We believe it will result in a saving to the Government, although it is estimated that over a period of 10 years there will be a cost of \$29,000,000; but that is assumed as the cost of the increases in compensation without comparison with what such increases might be if no such bill were enacted. So the Bureau of the Budget and the Civil Service Commission and the House Committee on Appropriations have endorsed the proposal. In fact, the House has gone so far as to insert a section in the deficiency appropriation bill preventing any increases from taking effect

until this bill shall be enacted, in the hope that the bill will be expeditiously enacted into law. There is no objection to the bill all along the line—from the departments, from the employees, or from the other branch of the Congress.

Mr. BRIDGES. Will the Senator please explain how, if the bill will cost \$29,000,000 more, it will mean a saving? I did not quite get his point.

Mr. MEAD. It is estimated that increasing the pay of the employees in accordance with the formula provided in the bill will, over a period of 10 years, cost \$29,000,000, and after that, as the result of retirements and resignations and grade promotions, the law will become self-liquidating, it will pay for itself, and will result in an economy. For a period of 10 years it will cost a little less than \$3,000,000 a year for increases, in keeping with the formula prescribed in the bill, but that does not take into consideration the increases which might be granted if the bill should not become effective. For instance, in one department increases were granted to 85 percent of the personnel in 1 year, while in another agency only 4 percent participated in increases. This measure merely sets up an orderly, balanced procedure demanded by the Committee on Appropriations.

Mr. BRIDGES. Does the Senator feel that the passage of the bill would actually result in a saving, as well as in setting up a fair standard for promotions?

Mr. MEAD. The representative of the Budget Bureau so stated to our committee, and the statement has been verified by me through conferences with personnel officers who had something to do with drafting the bill. Its passage would result in an economy.

The VICE PRESIDENT. Is there objection to the request of the Senator from New York?

There being no objection, the Senate resumed the consideration of the bill (H. R. 1073) to amend the Classification Act of 1923, as amended.

The VICE PRESIDENT. The Chair is advised that the amendment reported by the committee was agreed to on Thursday last.

Mr. MEAD. Mr. President, I offer an amendment to the bill, which I send to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 3, after line 25, it is proposed to insert the following:

(h) The provisions of subsections (b) to (f), both inclusive, of this section shall not apply to the compensation of persons appointed by the President, by and with the advice and consent of the Senate.

Mr. MEAD. Mr. President, this merely takes from the coverage of the bill such appointments as are made by the President and confirmed by the Senate, appointments to policy-making positions. In taking them from the coverage of the bill, it is proposed to do just what was done in the case of the Ramspeck civil-service bill.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. ADAMS. Mr. President, I am interested in obtaining a little further information about the bill. I am not familiar with it, but when it was reached on the call of the calendar last Thursday the Senator from Wyoming [Mr. O'Mahoney] read a section from the report, as I recollect, which indicated that the bill would provide each year an increase in cost of the Government, until at the end of the 10 years the increase would be \$29,000,000. In view of that statement in the report the Senator from New York has filed, I wonder how he can say the bill would promote economy. I also understood him to say a moment ago that the bill was demanded by the Committee on Appropriations.

Mr. MEAD. The House Committee on Appropriations.

Mr. ADAMS. I wondered how the House Committee on Appropriations could demand the passage of a legislative bill.

Mr. MEAD. They demanded a formula from the Bureau of the Budget which would prescribe an orderly method for handling pay raises. They were out of patience with the old method, and as a result of the demand which they made upon the Bureau of the Budget, that Bureau, after an investigation, presented this bill, which was referred to the Committee on Appropriations of the House, and then by reference was sent to the Civil Service Committee.

Mr. ADAMS. In what form did they make the demand?

Mr. MEAD. It is indicated in the report. They insisted that the Bureau of the Budget give time and attention to the question of setting up an orderly procedure for pay increases, and, as a result of that demand, which was an actual demand of the House Committee on Appropriations, the Budget Bureau went to work, and after an exhaustive study reported to the House Committee on Appropriations, and they in turn had the bill referred to the House Committee on Civil Service, which committee reported it to the House without amendment.

Mr. ADAMS. The Senator has drawn certain deductions, but is it not a fact that the House committee inserted in the bill a provision which would forbid heads of departments making increases in their departments except in conformity with the Classification Act? In other words, have they not said, "We will not appropriate money with which the heads of departments may make increases as they see fit?" Is not that the situation, instead of the House committee demanding the passage of a legislative act?

Mr. MEAD. It is my understanding that the House committee served notice that unless the procedure provided in the bill before us, or some similar procedure, were enacted, the departments could not use any of the funds appropriated in raising wages. That was the insistent demand, according to my information. That was the information which came to our committee.

Mr. ADAMS. I think it is an implication. I am simply interested in the information received by the Senator.

Mr. MEAD. The fact that the House Appropriations Committee ordered the

study, and that the study was made by the Bureau of the Budget, and that a report was submitted by the Bureau of the Budget to the Appropriations Committee, indicated their interest in the subject. Then the insertion in the deficiency appropriation bill of section 302, which is an inhibition against salary raises of any kind until some formula such as this goes into effect, indicates that the Appropriations Committee of the House is further insisting upon the enactment of this bill. Section 302 of the deficiency appropriation bill, H. R. 5166, is to be found on page 73. I will be glad to read it. The section is as follows:

Sec. 302. No appropriation or part of any appropriation available for obligation during the fiscal year 1942, including funds of Government-owned or controlled corporations, shall be used for granting within-grade salary advancements to any officer or employee of the Government of the United States, the District of Columbia, or of any such corporation, who is compensated on a per annum basis and who occupies a position the compensation of which is fixed (1) according to the schedules prescribed by the Classification Act of 1923, as amended, or (2) by Executive Order No. 6746, or (3) administratively according to schedules patterned after such Classification Act: *Provided*, That this section shall cease to be operative whenever a uniform, within-grade, salary-advancement plan for positions compensated according to such Classification Act, as amended, shall take effect, pursuant to law.

So the law as it now stands arbitrarily forbids all advances unless a uniform policy is adopted, and the pending bill provides the policy the committee had in mind.

Mr. ADAMS. The Senator agrees that that is a proper thing for the committee to do, in order to stop miscellaneous, irresponsible, and arbitrary advancements?

Mr. MEAD. Yes.

Mr. ADAMS. But does it follow from the insertion of section 302 in the appropriation act that there is a demand on the part of the House Appropriations Committee for the enactment of a statute which provides for \$29,000,000 annual increase in the Government expenditures?

Mr. MEAD. No; it is not \$29,000,000.

Mr. ADAMS. Let me read from page 4 of the report submitted by the House Committee on Civil Service, as follows:

The salary-advancement plan with a coverage of 304,000 employees would, after 10 years of operation, result in an increase in the annual pay roll of \$29,000,000 above the amount of the pay roll at the beginning of the operation of the plan.

That is to be found on page 5 of the report.

Mr. MEAD. The following language also appears on page 5:

After the plan has been in operation for as many as 10 years, the lapses resulting from turn-over and line promotions will almost equal the annual cost of granting the increases to the eligible employees, and there will be little or no further additional cost. The plan will become self-supporting.

That is what I explained awhile ago.

Mr. ADAMS. As I interpret the language, after there has been the increase of \$29,000,000 there will not be an augmentation above \$29,000,000. The \$29,000,000 results from the annual increase.

Mr. MEAD. But if we do not pass the pending bill, then the increases which are now allowed under existing law may approximate \$29,000,000 anyway. It should be considered that there is a large turn-over in personnel as the result of attractive salaries paid elsewhere, and in order to hold the employees in service with liberal appropriations, there may be more salary increases than prescribed under this formula, but this formula will set up an orderly procedure. After the plan attains the maximum point, then it will be self-supporting as the result of retirement and in-grade promotion, and thereafter we will know just what the cost of advancement in salaries will be. It will be a formula which will be orderly and well established, and the chaotic situation resulting from raises of 85 percent of the personnel in one department this year and only 4 percent in another department this year will be done away with, and that is what the Appropriations Committee sought to have done. We were assured that the adoption of the plan would result in an ultimate economy.

Mr. ADAMS. I hope that is true. I am somewhat mystified by the statement made in the committee report that the plan will become self-supporting.

Mr. MEAD. That is what the representative of the Director of the Bureau of the Budget told us.

Mr. ADAMS. The Senator does not believe that, does he?

Mr. MEAD. I further investigated the subject, and one of the chief personnel officers of the Government told me it was a conservative statement. He believed the adoption of the plan would result in greater economy.

Mr. ADAMS. What does the report mean when it says that the plan will be self-supporting, when as a matter of fact the plan will involve a tremendous expenditure every year? I do not understand what the expression "self-supporting" means.

Mr. MEAD. If A retires from the top salary position, leaves the service of the Government, B comes in at the bottom salary. The saving between A and B will be more than enough to raise the salary of the man in the service who is entitled to the salary increase.

Mr. ADAMS. That may happen one year, but the adoption of the plan would establish a status of equilibrium. That cannot be figured as a measure of economy. If an individual receiving a top salary retires it will result in increased salaries all down the line. There may be six grades of employees below the top man. The salaries of the employees in those six grades may go up when the top man goes out. There would be a reduction in the salary of the top man, but the salaries of six others would be increased.

Mr. MEAD. The salaries of all are not increased, unless their efficiency rating is "good," or better, and unless they have been 18 months in the service without receiving any increase. Then there is additional power given to the head of the bureau to decide whether all salaries shall be increased.

Mr. ADAMS. I am very much in favor of a classification act in order to have a stable situation. I think the Government has gone wild in many cases when new departments have been created and the heads thereof have been allowed to fix salaries arbitrarily, as the result of which some employees are receiving more than they should receive and others are receiving less.

Mr. MEAD. Some employees are discriminated against.

Mr. ADAMS. I wonder if this measure if passed will establish a really scientific classification act, and prevent excessive payment and inadequate payment.

Mr. MEAD. I am so assured by the Civil Service Commission.

Mr. ADAMS. I hope the Senator will receive better assurance than that.

Mr. MEAD. I have been assured that that is what will be attained.

Mr. President, I wish to say that I discussed the bill this morning with the Senator from Wyoming [Mr. O'MAHONEY], who objected to its consideration last week. I told the Senator I was going to bring it up today, and that was agreeable to him. Some Senators were anxious to know what effect the bill would have on selectees, so I addressed a letter to the Bureau of the Budget, and was informed that the rights of the selectees taken from the civil service would be protected. In order that that statement may become a part of the RECORD I ask unanimous consent that the letter from the Bureau of the Budget with reference to selectees be incorporated at this point as part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter is as follows:

EXECUTIVE OFFICE OF
THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., July 10, 1941.

HON. JAMES M. MEAD,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MEAD: I understand from our Personnel Director, Mr. Edgar B. Young, that your office has made inquiry concerning the status of Federal employees who are ordered to active military duty either as Reserve officers or under the terms of the Selective Training and Service Act, with reference to their eligibility for salary advancement under the terms of H. R. 1073, which is currently under consideration by the Senate Civil Service Committee.

It is provided in the Selective Training and Service Act of 1940 that such employees shall be restored to the same position or a position of like seniority, status, and pay "without loss of seniority." Public Resolution No. 96, approved August 27, 1940, provides that such employees, when called to active duty with the National Guard or Reserve units, shall be restored to the same position or a position of like seniority, status, and pay without loss of seniority, insurance participation, or other benefits.

In our opinion these provisions could properly be construed to mean that an employee called to active military duty would not lose the benefit of H. R. 1073 during the period of military service. For example, if an employee were called to active duty who, in the event he had remained in civilian employment would have become eligible for salary advancement during his year of duty, such an employee should receive his advancement immediately upon his return to civilian employment. The time period for computing

his next advancement should date from the time he would have received the increase had he not been called to active military duty. In other words, we feel that no employee should be penalized under the terms of H. R. 1073 because of military duty to which he has been ordered. Such a construction would, in our judgment, be entirely consistent with the existing arrangements for the preservation of civil-service eligibility and all other civil-service rights for employees who are called into active service.

It is our further thought that in the administration of the salary-advancement plan appropriate regulations, to be issued under authority of section 2 (g) of H. R. 1073, could adequately cover this subject.

Very truly yours,

HAROLD D. SMITH,
Director.

ATTITUDE OF SENATOR LUCAS TOWARD SECRET COMMITTEE SESSIONS

Mr. LUCAS. Mr. President, on June 30, last, the able senior Senator from Montana [Mr. WHEELER] introduced Senate Resolution 138, which was referred to the Committee on Naval Affairs. The resolution requests an investigation by that committee of certain statements which were made by various columnists concerning our foreign policy. Following the introduction of the resolution the Committee on Naval Affairs met on Friday last and heard the testimony of Colonel Knox, Secretary of the Navy, and Admiral Stark, Chief of Naval Operations, in a 3-hour session.

Mr. President, I do not rise for the purpose of discussing anything that transpired in that meeting, because it was an executive session, with the exception of one remark that was attributed to me, and carried in one of the Washington newspapers of Saturday morning. That remark, in substance, as I remember, dealt directly with the position which I took on the evacuation of the British troops from the country of Iceland, and made a direct quote as to what I said. I did make a direct quote to a newspaperman whose name I have forgotten, who called on me on Friday night about 9 o'clock.

Mr. President, I have no apologies to make for making that statement. After I left the committee meeting on Friday there were probably 20 reporters waiting on the outside for information as to what transpired in the committee meeting. I was accosted by Mr. Catledge, representing the New York Times. I was asked for information by other reporters. I was also asked for information by Mr. Manly, of the Chicago Tribune, who came directly to my office for a story on what happened in the executive session. To all those men I repeatedly said that we were in an executive session, that I had nothing to say, and would make no statement until the report was filed by the committee at some later date, and that the report would speak for itself.

But, lo and behold, when I returned home that night and picked up two Washington newspapers, I saw the headlines and read the stories of practically everything that happened in that committee meeting. So, Mr. President, when other reporters called me that night I did not hesitate to give any information which I thought was just and proper and which in nowise revealed any military or naval secrets.

I rise for the purpose of explaining this situation for fear that some member of the Naval Affairs Committee or some other Member of the Senate may misunderstand my position because of the direct quote which I made upon the Iceland situation. Mr. President, I have been in the Senate only a short while, but I learn more and more as the days go by. In the future the senior Senator from Illinois will adopt the same position as that adopted by the late Senator Couzens, of Michigan. I will not be bound by any executive session. That does not mean that I shall attend such sessions for the purpose of disclosing information of a military or naval nature; but I refuse to deny my friends in the Middle West or any other section of the country, representing the great metropolitan press of the Nation, information which I believe is worth while. This decision is made in view of the experience I have just detailed.

Mr. President, I have been in a number of executive sessions since I have been in the Senate. I go along in my own way and say, "No, Mr. Reporter, you cannot have anything from the Senator from Illinois, because it was an executive session, and my word has always been as good as my bond. I cannot give you any information." But from now on, Mr. President, I will not be bound by an executive session of any committee at which I am present, because such a course is futile and useless. It seems to be an old custom among Senate committees to go into executive session, and 15 minutes later the world knows all about its innermost secrets.

AMENDMENT OF CLASSIFICATION ACT

The Senate resumed the consideration of the bill (H. R. 1073) to amend the Classification Act of 1923, as amended.

Mr. McCARRAN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Nevada will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section, as follows:

SEC. 7. That unclassified employees under civil service in the departments and agencies of the Federal and District services shall receive a minimum of not less than \$1,500 annually.

Mr. McCARRAN. Mr. President, in the past several years the Department of Labor, the American Federation of Labor, and other labor organizations and investigating bodies, including the United Government Employees, Inc., and the National Negro Council, have from time to time rendered reports as to what is a living wage and what is essential for an individual under existing conditions to live reasonably under the American system. One thousand five hundred dollars a year has been established and published as a minimum living wage by the Department of Labor and other labor investigating bodies. It is for that reason that I offer my amendment, which I hope the Senator from New York may see fit to accept. Did the Senator hear the amendment read?

Mr. MEAD. Yes; I heard it.

Mr. McCARRAN. I am asking the Senator from New York if he cannot see his way clear, without holding the attention of the Senate longer, to accept the amendment.

Mr. MEAD. If it is agreeable to my colleagues on the Civil Service Committee, I am perfectly willing to take the amendment to conference. However, I cannot speak for the Senate.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. BRIDGES. Can the Senator give some examples of those in the unclassified service?

Mr. McCARRAN. A part of the custodial forces comes within the unclassified service. It embraces those who work in the humbler positions.

Mr. BRIDGES. Such as elevator operators and janitors?

Mr. McCARRAN. Elevator operators, janitors, firemen, and so forth.

Mr. BRIDGES. Mr. President, will the Senator further yield?

Mr. McCARRAN. I yield.

Mr. BRIDGES. I am in sympathy with the principle of minimum wages, as the Senator knows, because we have worked together on such matters; but is it not true that in the classified service are many persons who are receiving \$1,260 or \$1,440? I am wondering whether it is fair to establish a minimum wage for the unclassified service, and deliberately pass over great groups in the classified service who are receiving lower salaries.

Mr. McCARRAN. Let me say to the Senator that there are small groups receiving salaries as low as \$600, \$750, or \$900 a year. I am interested in those groups. That is the reason for my amendment. As a rule they are the poorer groups, and perhaps, in many instances, those who are supporting the greater number of dependents. It seems to me—and judging from my past conversations with the Senator I believe he agrees with me—that we should not compel those who work for the Government to live on starvation wages. Today a great number of Government employees are working for nothing more than starvation wages.

In bills which have been introduced in the past we have tried to establish a minimum wage of \$1,500. It was with that thought in mind that I hoped this amendment might be taken to conference. If in the judgment of the conferees the sum should be less—say \$1,200—I will be entirely content. But Government employees cannot work for \$600, \$700, \$800, or \$900 a year with any degree of contentment.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. BYRD. The Senator's amendment applies only to the unclassified service.

Mr. McCARRAN. That is correct.

Mr. BYRD. Of course, the classified service has varying rates, beginning at \$600. There are some at \$1,080 and others at \$1,140. How can we discriminate between the unclassified service and the classified service?

Mr. McCARRAN. As I understand, those in the classified service have their classification status fixed for the future. As time goes on they will receive increases. However, those in the unclassified service have no status whatever fixed for the future. Their salaries are stabilized at \$600, \$700, or \$900 a year.

Mr. BYRD. However, I call attention to the fact that it will be a long time before some of the employees in the classified service reach a salary of \$1,500.

Mr. McCARRAN. That may be true.

Mr. BYRD. The Senator's amendment would make a discrimination between employees in the classified service and those in the unclassified service. As a member of the Civil Service Committee, I hope the Senator from Nevada will permit his amendment and the effect of it to be studied by the Civil Service Committee, because in view of the fact that there are two rates of pay, one classified and one unclassified, I think that to agree hastily to the amendment would be very unfortunate.

Mr. McCARRAN. I wish to say to the Senator, in reply to his suggestion, that I followed the very course he is now suggesting, and for nearly 3 years, one after another, I introduced bills providing a minimum salary of \$1,500. I never could get any action by the Civil Service Committee on the bill.

Mr. BYRD. The Senator must see that we cannot have two rates of pay, one for unclassified and one for classified employees.

Mr. McCARRAN. But there are now two rates of pay.

Mr. BYRD. There are two rates of pay in accordance with the service rendered.

Mr. McCARRAN. Very well; but now employees in the unclassified service have no fixed status whatever for the future, and they are receiving a starvation wage.

Mr. BYRD. But under the Senator's amendment many employees in the unclassified service would receive more than many employees in the classified service would receive.

Mr. McCARRAN. There would be very few such cases, because, in accordance with the provisions of the Classification Act, employees in the classified service always receive their promotions.

Mr. ADAMS. Mr. President, I desire to make an inquiry of the Senator from Nevada. If I correctly heard the amendment, it does not provide for fixing the rate of pay, but provides for fixing the minimum. In other words, if a person in the unclassified service worked only 3 days a year he would have to receive \$1,500.

Mr. McCARRAN. No; his pay would be at the rate of \$1,500 a year.

Mr. ADAMS. But the amendment does not so provide, if I recollect it correctly. The service of such an employee might be for less than a year.

Mr. McCARRAN. My purpose would be to have such an employee receive pay on the basis of \$1,500 a year.

Mr. ADAMS. Does not the Senator mean that such employees should be paid at the rate of not less than \$1,500 a year?

Mr. McCARRAN. Yes; that was my purpose.

Mr. ADAMS. I do not think the Senator's amendment says "at the rate of."

Mr. McCARRAN. I am perfectly willing to accept the suggestion of the Senator from Colorado, which perhaps is a very good one, to have the language read "to be paid at the rate of." If the clerk may be authorized to make that change, I ask that my amendment be modified accordingly.

The VICE PRESIDENT. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Nevada as modified.

On a division, the amendment as modified, was rejected.

The VICE PRESIDENT. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 1073) was read the third time, and passed.

Mr. MEAD. I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. MEAD, Mr. BYRD, and Mr. AIKEN conferees on the part of the Senate.

RECESS

Mr. MEAD. Mr. President, I move that the Senate take a recess until 2:30 o'clock p. m.

Mr. BRIDGES. Mr. President, what is the request?

The VICE PRESIDENT. The request is that the Senate recess until 2:30 p. m.

Mr. BRIDGES. For what purpose?

Mr. McNARY. Mr. President, the matter of a recess was suggested to me because of the fact that the Democratic leader has a conference at the White House. He desires to be here, and I suggested that we recess until 2:30 p. m. in order that he may be here to determine upon the program for the remainder of the week.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from New York.

The motion was agreed to; and (at 12 o'clock and 55 minutes p. m.) the Senate took a recess until 2:30 p. m., when it reassembled.

PETROLEUM PIPE LINES

Mr. BARKLEY. Mr. President on behalf of the Senator from Tennessee [Mr. STEWART], from the Committee on Interstate Commerce, I report back favorably with an amendment House bill 4816, to facilitate the construction, extension, or completion of interstate petroleum pipe lines related to national defense, and to promote interstate commerce, and I submit a report (No. 550) thereon. This is the so-called pipe-line bill.

The VICE PRESIDENT. The bill will be received and placed on the calendar.

Mr. BARKLEY. Mr. President, I ask unanimous consent that when the Senate meets tomorrow it proceed to consider the bill just reported. It will be on the calendar, and it will be in order any way

July 21

H. CON. RES. 47

IN THE HOUSE OF REPRESENTATIVES

JULY 21, 1941

Mr. RAMSPECK submitted the following concurrent resolution; which was agreed to

CONCURRENT RESOLUTION

1 *Resolved by the House of Representatives (the Senate*
2 *concurring)*, That the Clerk of the House of Representatives
3 is authorized and directed in the enrollment of the bill H. R.
4 1073, entitled "An Act to amend the Classification Act of
5 1923, as amended", to insert following the numeral "2"
6 in line 16, page 5, of the engrossed bill the following:
7 "of the Act".



CONCURRENT RESOLUTION

Authorizing and directing the Clerk of the
House of Representatives in the enrollment
of the bill H. R. 1073 to make an addition to
the text thereof.

By Mr. RAMSPECK

JULY 21, 1941

Agreed to

Time counts. The responsibility rests solely with the Congress.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, July 21, 1941.

PERMISSION TO ADDRESS THE HOUSE

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Following the reading of the Journal the Chair recognized every Member who asked recognition to extend his remarks or address the House for 1 minute. The Chair now feels that we should proceed with the legislative business of the day. The Chair will, however, recognize the gentleman from Georgia to submit this request.

Is there objection to the request of the gentleman from Georgia?

There was no objection.

THE PRESIDENT'S MESSAGE ON ADDITIONAL SERVICE FOR SELECTEES

Mr. COX. Mr. Speaker, the message of the President just read is truth revealing itself by degrees. That we are going into a shooting war has been known since prior to the destroyer transaction. We cannot escape the force or effect of events over which we have no control. Public sentiment forced the adoption of the lend-lease bill. It demanded all-out aid to England. All-out aid means war, and what is being done under the lend-lease bill and under present emergency powers held by the Executive is war.

The President's position on the retention of draftees in the Army is, of course, right. To disorganize and disintegrate our Army in its very making would be playing fast and loose with the security of the Nation and with the lives of our people.

[Here the gavel fell.]

AMENDMENT OF CLASSIFICATION ACT OF 1923

The SPEAKER. The Chair recognizes the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1073) to amend the Classification Act of 1923, with Senate amendments, and concur in the Senate amendments.

The SPEAKER. The Clerk will report the title of the bill and the Senate amendments.

The Clerk read as follows:

Page 4, line 3, strike out "section." and insert "section."

Page 4, after line 3, insert:

"(h) The provisions of subsections (b) to (f), both inclusive, of this section shall not apply to the compensation of persons appointed by the President, by and with the advice and consent of the Senate."

Page 5, after line 21, insert:

"Sec. 6. Section 3 of the Legislative Pay Act of 1929 is hereby amended effective on the date of the enactment of this act by adding at the end of the first paragraph thereof, before the period, the following: 'Provided further, That the compensation of any employees under the Office of the Architect of the Capitol whose tenure of employment is temporary or of uncertain duration may be fixed by the Architect of the Capitol without reference to the provisions of the Classification Act of 1923, as amended.'"

Page 5, line 22, strike out "6" and insert "7."

Page 6, line 1, strike out "7" and insert "8."

Page 6, line 3, strike out "8" and insert "9."

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. RAMSPECK]?

Mr. MICHENER. Mr. Speaker, reserving the right to object, the gentleman, of course, will explain what the amendments do. The gentleman from Massachusetts [Mrs. ROGERS], the ranking minority member of the committee, is present, and I hope she will tell us why these amendments were put in.

Mr. RAMSPECK. Mr. Speaker, I will be glad to explain the effect of the amendments. The first amendment eliminates from the coverage of this bill positions where the President appoints and the Senate confirms.

The second amendment eliminates from the coverage of the bill certain temporary employees under the Architect of the Capitol. So there is no extension of the bill. The Senate amendments curtail the coverage of the bill.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. It is my understanding this is simply of advantage to those in the civil service who get to their positions through merit. It only affects a few political appointees?

Mr. RAMSPECK. That is correct.

Mrs. ROGERS of Massachusetts. The Bureau of the Budget has recommended that these amendments be concurred in?

Mr. RAMSPECK. Yes; the Bureau of the Budget has approved the amendments and asks that this procedure be followed.

Mr. MICHENER. And the committee is unanimous?

Mr. RAMSPECK. Yes; there is no objection from any member of the committee.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

AMENDMENT TO CLASSIFICATION ACT OF 1923

Mr. RAMSPECK. Mr. Speaker, I offer a concurrent resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows (H. Con. Res. 47):

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives is authorized and directed in the enrollment of the bill H. R. 1073, entitled "An act to amend the Classification Act of 1923, as amended, to insert following the numeral '2' in line 16, page 5, of the engrossed bill, the following: 'of the act.'"

The resolution was agreed to.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

AUTHORIZING ADDITION OF CERTAIN LANDS TO THE PLUMAS NATIONAL FOREST, CALIF.

The Clerk called the first bill, H. R. 1595, to authorize the addition of certain

lands to the Plumas National Forest, Calif.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. COLE]?

There was no objection.

TIME OF APPOINTMENT OF PRESIDENTIAL ELECTORS AND ELECTION OF SENATORS AND REPRESENTATIVES IN CONGRESS

The Clerk called the next bill, H. R. 145, to change the time of the appointment of Presidential electors and the election of Senators and Representatives in Congress.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. COLE]?

There was no objection.

BRIDGE ACROSS MISSISSIPPI RIVER AT OR NEAR DUBUQUE, IOWA

The Clerk called the next bill, H. R. 2811, to extend the times for commencing and completing the construction of a bridge or bridges across the Mississippi River at or near the cities of Dubuque, Iowa, and East Dubuque, Ill., under authority of the act approved July 18, 1939, as amended, and for other purposes.

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. ALLEN]?

There was no objection.

HULAH DAM AND RESERVOIR, OKLA.

The Clerk called the next bill, H. R. 3936, in aid of the construction of the Hulah Dam and Reservoir project, Oklahoma.

Mr. DISNEY. Mr. Speaker, the substance of this bill is incorporated in the Interior Department bill that has already passed. In my opinion this bill should be stricken from the calendar, and I ask unanimous consent that it be laid on the table.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. DISNEY]?

There was no objection.

SUNDRY MATTERS AFFECTING MILITARY ESTABLISHMENT

The Clerk called the next bill, H. R. 4476, providing for sundry matters affecting the Military Establishment.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and hereby is, authorized out of any moneys available for the War Department for the fiscal year ending June 30, 1942, to provide for entertainment and instruction in connection with the welfare of enlisted personnel; to provide for the employment of internes in the Medical Department, at not to exceed \$720 per annum.

Sec. 2. That during the fiscal year ending June 30, 1942, all provisions of existing law limiting the strength of any branch of the

Army, the number of flying cadets in the Army Air Corps, the number of assistant superintendents of the Army Nurse Corps, and the number and grade of Reserve officers who may be ordered to extended active duty with the Air Corps, shall not apply: *Provided*, That, exclusive of officers of the Army Air Corps and those assigned thereto for training, the number of officers of the Army who may be required to participate regularly and frequently in aerial flights during the fiscal year ending June 30, 1942, shall not exceed 5 percent of the total authorized commissioned strength of the Army, notwithstanding the provisions of section 20, act of June 10, 1922, as amended (10 U. S. C. 292).

Sec. 3. That the Secretary of War is hereby authorized, during the fiscal year ending June 30, 1942, in connection with military construction, defense installations, to effect appointments of civilian employees in the United States, or to effect the transfer of such employees in the Federal service in the United States, for duty at any point outside the continental limits of the United States at which it may be found necessary to assign such civilian employees, and to pay the costs of transportation of such employees from the place of engagement in the United States, or from the present post of duty in the United States, if already in the Federal service, to the post of duty outside the United States and return upon relief therefrom, and to provide for the shipment of household goods and personal effects of persons so appointed or transferred from the place of engagement or transfer to the post of duty outside the continental United States and return upon relief therefrom; and to provide for transportation of the dependents of such employees by such means as may be found expedient.

Sec. 4. That any funds available for the fiscal year ending June 30, 1942, for the payment of travel allowances and travel in kind, shall be available for such allowances as are now or may hereafter be authorized for dependents of personnel of the Regular Army, for travel of dependents of personnel of the National Guard while in the service of the United States and for members of the Officers' Reserve Corps and Enlisted Reserve Corps when ordered to active duty for periods in excess of 15 days.

Sec. 5. That any funds available for the fiscal year ending June 30, 1942, for the payment of travel allowances and travel in kind shall be available for the payment of such allowances, as are now or may hereafter be authorized for dependents of personnel of the Regular Army, for travel of dependents of retired officers, retired warrant officers, and retired enlisted men of the first three grades and enlisted men of the first three grades of the Regular Army Reserve, including such allowances for dependents, when such personnel is ordered to active duty and upon relief therefrom.

Sec. 6. That any funds available for the fiscal year ending June 30, 1942, made available for the transportation of baggage, household effects and goods, shall be available for the transportation, packing, crating, and unpacking of such baggage, household effects and goods, in the manner and under such conditions of service of military and civilian personnel as the Secretary of War may prescribe and designate by regulations.

Sec. 7. That any funds available for the fiscal year ending June 30, 1942, for Army transportation, shall be available for the lease from the Maritime Commission or others of boats and other vessels.

Sec. 8. That any funds available for the fiscal year ending June 30, 1942, for construction of buildings, utilities, and appurtenances at military posts shall be available for the purposes specified by existing law and in appropriation acts, including the acquisition of land, rights pertaining thereto, leasehold and other interests therein, and temporary use thereof, without regard to the

provisions of sections 355, 1136, and 3648, Revised Statutes, as amended (10 U. S. C. 1339; 40 U. S. C. 255; 31 U. S. C. 529).

Sec. 9. That the fixed fee to be paid the contractor as the result of any contract for public works entered into on or after September 9, 1940, for the construction and installation of buildings, utilities, and appurtenances at military posts shall not exceed 6 percent of the estimated cost of the contract, exclusive of the fee, as determined by the Secretary of War.

Sec. 10. That the provisions of the act to facilitate the procurement of aircraft for the national defense, approved March 5, 1940 (Public, No. 426, 76th Cong.), as amended by section 401 of the Second Revenue Act of 1940, approved October 8, 1940 (Public, No. 801, 76th Cong.), shall be effective during the fiscal year ending June 30, 1942.

Sec. 11. That any funds available for the fiscal year ending June 30, 1942, for the engineer service, Army, in addition to the purposes for which available under existing law or appropriations, shall be available for expenses of railroad operation, including purchase or lease of equipment and materials and the acquisition of lands, rights-of-way thereon, and other interests therein and temporary use thereof.

Sec. 12. That any funds available for the fiscal year ending June 30, 1942, for military construction, defense installations, in addition to the purposes for which available under existing law or appropriations, shall be available for the acquisition of leasehold and other interests in land, and the temporary use thereof, without regard to sections 355, 1136, and 3734, Revised Statutes, as amended (40 U. S. C. 255; 10 U. S. C. 1339; 40 U. S. C. 267), and shall remain available for such purposes until June 30, 1943.

Sec. 13. That for the fiscal year ending June 30, 1942, when deemed by the Secretary of War to be advantageous to the national defense, and if in his opinion the existing facilities of the War Department are inadequate, he is hereby authorized to employ, by contract or otherwise, without reference to section 3709, Revised Statutes, and at such rates of compensation as he may determine, architectural, engineering, technical, or professional corporations, firms, or individuals for the production of plans and specifications required for any War Department project, and for the supervision of its accomplishment.

Sec. 14. That the provisions of section 1 (a) and 1 (b) of the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940 (Public, No. 703, 76th Cong.), are hereby continued in effect and made applicable to moneys appropriated for the War Department for national defense purposes for the fiscal year ending June 30, 1942.

With the following committee amendments:

On page 1, section 1, after the word "in-ternes" at the end of line 7, insert the following: "who are graduates of or have successfully completed at least 4 years professional training in reputable schools of medicine or osteopathy."

Strike section 4, on page 3, in its entirety and substitute in lieu thereof the following:

"Sec. 4. That any funds available for the fiscal year ending June 30, 1942, for the payment of travel allowances and travel in kind, shall be available for the payment of such allowances as are now or may hereafter be authorized for dependents of personnel of the Regular Army, for travel of dependents of personnel of the Officers' Reserve Corps, the Enlisted Reserve Corps, and the National Guard while in the service of the United States when ordered to active duty for periods in excess of 15 days, including transportation from home to first station, from last station

to home upon relief from active duty, and upon permanent change of station."

Section 8, on page 4, after the word "available", in line 17, insert the following: "with the approval of the Secretary of War."

Section 11, on page 5, strike the word "railroad" in lines 16 and 17 and after the word "operation" in line 17 thereof, insert the following: "of a railroad not more than 100 miles in length."

At the end of section 14, on page 6, insert the following sections:

"Sec. 15. The Secretary of War may, with respect to contracts for public works for the Military Establishment, whether or not for construction at military posts, entered into upon a cost-plus-a-fixed-fee basis out of funds appropriated for the fiscal year 1942 or authorized to be entered into prior to July 1, 1942, waive the requirements as to performance and payment bonds of the act approved August 24, 1935 (49 Stat. 793; 40 U. S. C. 270a).

"Sec. 16. All existing limitations with respect to the number of serviceable airplanes, airships, and free and captive balloons that may be equipped and maintained shall be suspended during the fiscal year 1942."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTER-AMERICAN HIGHWAY

The Clerk called the next bill, S. 1544, to provide for cooperation with Central American republics in the construction of the Inter-American Highway.

Mr. WOLCOTT. Mr. Speaker, I understand that a rule has been applied for in connection with this bill, and for this reason I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. Wolcott]?

There was no objection.

CERTAIN NAVAL OFFICERS STATIONED IN THE CANAL ZONE

The Clerk called the next bill, S. 874, relating to allowances for rental quarters of certain naval officers stationed in the Canal Zone.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GORE. I object, Mr. Speaker.

COOPERATIVE AGRICULTURAL EXTENSION WORK

The Clerk called the next bill, S. 1200, to authorize additional appropriations to provide for the further development of cooperative agricultural extension work.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. I hope the gentleman will not insist on his request, because the bill has unanimously passed the Senate and has the unanimous report of the Committee on Agriculture. The appropriation has been made for 1 year and this bill will take care of future years. I feel that it is a measure of such merit that it should be passed. I hope the gentleman will not insist on his request.

1
Aug

[PUBLIC LAW 200--77TH CONGRESS]

[CHAPTER 346--1ST SESSION]

[H. R. 1073]

AN ACT

To amend the Classification Act of 1923, as amended.



Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Classification Act of 1923, as amended, is hereby further amended as follows:

SEC. 2. Section 7 of the said Act is hereby amended by inserting the letter "(a)" after the figure "7" at the beginning of said section, and by adding the following paragraphs as subsections thereof:

"(b) All employees compensated on a per annum basis, and occupying permanent positions within the scope of the compensation schedules fixed by this Act, who have not attained the maximum rate of compensation for the grade in which their positions are respectively allocated, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next quarter, following the completion of: (1) Each eighteen months of service if such employees are in grades in which the compensation increments are \$60 or \$100, or (2) each thirty months of service if such employees are in grades in which the compensation increments are \$200 or \$250, subject to the following conditions:

"(1) That no equivalent increase in compensation from any cause was received during such period, except increase made pursuant to subsection (f) of this section;

"(2) That an employee whose rate of compensation is below the middle rate of the grade shall not be advanced unless his current efficiency is good or better than good;

"(3) That an employee whose rate of compensation is at or above the middle rate of the grade shall not be advanced unless his current efficiency is better than good;

"(4) That the service and conduct of such employee are certified by the head of the department or agency or such official as he may designate as being otherwise satisfactory.

"(c) The term 'good' as used herein shall be defined in accordance with the systems of efficiency rating established pursuant to section 9 of this Act.

"(d) For the purposes of this section, the fourth salary rate in grades 2 and 3 of the custodial service shall be considered the middle rate.

"(e) Employees eligible under subsection (b) for compensation advancement by reason of service immediately preceding the effective date of this amendment shall be advanced to the next higher rate of compensation within the grade to which their positions are respectively allocated at the beginning of the next quarter immediately following the effective date of this amendment.

"(f) Within the limit of available appropriations, and in recognition of especially meritorious services, the head of any department or agency is authorized to make additional within-grade compensation advancements, but any such additional advancements shall not exceed one step and no employee shall be eligible for more than one additional advancement hereunder within each of the time periods specified in subsection (b). All actions under this subsection and the reasons therefor shall be reported to the Civil Service Commission. The Commission shall present an annual consolidated report to the Congress covering the numbers and types of actions taken under this subsection.

"(g) The President is hereby authorized to issue such regulations as may be necessary for the administration of this section.

"(h) The provisions of subsections (b) to (f), both inclusive, of this section shall not apply to the compensation of persons appointed by the President, by and with the advice and consent of the Senate."

SEC. 3. Section 9 of the said Act is hereby amended by adding thereto the following paragraph:

"The Civil Service Commission and heads of departments are authorized and directed to take such action as will apply the provisions of this section uniformly to all employees occupying positions within the compensation schedules fixed by this Act as nearly as is practicable."

SEC. 4. Section 13 of the said Act is hereby further amended so as to provide the following annual rates of compensation and salary steps within grades 14 and 15 of the clerical, administrative, and fiscal service and grades 7 and 8 of the professional and scientific service:

"Clerical, administrative, and fiscal service:

"Grade 14: \$6,500, \$6,750, \$7,000, \$7,250, \$7,500.

"Grade 15: \$8,000, \$8,250, \$8,500, \$8,750, \$9,000.

"Professional and scientific service:

"Grade 7: \$6,500, \$6,750, \$7,000, \$7,250, \$7,500.

"Grade 8: \$8,000, \$8,250, \$8,500, \$8,750, \$9,000."

SEC. 5. (a) Title II of the Act of November 26, 1940, entitled "An Act extending the classified executive civil service of the United States", is hereby amended by deleting from section 3 (d) (viii) the words "verifiers, openers, packers, guards, inspectors, station inspectors" so that the paragraph as amended will read as follows:

"(viii) Offices or positions of clerks and laborers in the Customs Service of the Treasury Department, the compensation of which is fixed under an Act of Congress approved May 29, 1928 (45 Stat. 955), as amended;"

(b) Upon the passage of this Act, the Secretary of the Treasury shall allocate to the services and grades of the compensation schedules of the Classification Act of 1923, as amended, the other positions heretofore covered by said Act of May 29, 1928, in the same manner as other positions in the field service of the Treasury Department are allocated under section 2 of the Act of July 3, 1930 (46 Stat. 1003).

(c) Nothing contained in this section shall be construed to decrease the existing compensation of any employee, but when his position shall become vacant it shall be filled in accordance with the regular compensation schedule applicable to such position.

SEC. 6. Section 3 of the Legislative Pay Act of 1929 is hereby amended effective on the date of the enactment of this Act by adding at the end of the first paragraph thereof, before the period, the following: "*Provided further*, That the compensation of any employees under the Office of the Architect of the Capitol whose tenure of employment is temporary or of uncertain duration may be fixed by the Architect of the Capitol without reference to the provisions of the Classification Act of 1923, as amended".

SEC. 7. There are hereby authorized to be appropriated such sums as may be necessary to carry the provisions of this Act into effect.

SEC. 8. Insofar as they are inconsistent or in conflict with prior laws, the provisions of this Act shall control.

SEC. 9. This Act shall take effect on July 1, 1941.

Approved, August 1, 1941.

